NGWATHE LOCAL MUNICIPALITY

Ngwathe
MUNICIPALITY

The home of harmony, prosperity and growth

DRAFT ANNUAL REPORT
2013-14

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REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. This template provides an update to the MFMA Circular No. 11, issued in January 2005.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The revised template relates to the Medium Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non-financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others. Notes are included throughout the format to assist the compiler to understand the various information requirements.

The financial years contained in this template are explained as follows:

- Year -1: The previous financial year;
- Year 0: The financial year of reporting;
- Year 1: The following year, mostly requires future targets; and
- The other financial years will follow a similar sequence as explained above.

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

MFMA Implementation Unit, National Treasury July 2012

Chapter 1

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

I, Joey Mochela in my capacity as the Mayor of Ngwathe Local Municipality hereby present the Annual Report for the financial year 2013 -14.

a. Vision

"To provide excellent and sustainable municipal services"

a. Key Policy Developments

The electoral mandate of the fifth democratic government is to deepen transformation and implement the National Development Plan (NDP). It is to accelerate growth, create decent work and promote investment in a competitive economy.

b. Key Service Delivery Improvements

At the end of the last administration (2009-2014), the Presidency published a Twenty Year Review, outlining progress made since 1994 and identifying the challenges that still need to be overcome. Today, South Africa is a better place in which to live than it was in 1994. Political and social rights are protected, and the lives of millions of South Africans have improved,

We have seen major service delivery improvements, roads are being fixed, resealed and reconstructed in partnership with Fezile Dabi district municipality and provincial department of police, roads and transport. The accelerated bucket eradication program was continued, the empowerment of small, medium, micro enterprises to improve economic activities, upgrading of sports facilities as part of youth development, are the recent service delivery good stories.

Some of the major challenges that we giving urgent attention to, include:

- Low revenue.
- High Eskom account.
- High rate of unemployed especially youths.
- Cruelty to women and disability community
- Theft of electricity and cable.

- Increasing no of indigents.(Job losses)

c. Public Participation

Under the banner of **"TOGETHER WE MOVE SOUTH AFRICA FOWARD",** further significant achievements were made with regard to the relationships we have forged with our residents on revenue collection.

d. Future Actions

Having noted some of our achievements and challenges, we will gear ourselves to improving on and not limited to the following areas:

- Effective service delivery.
- HIV/AIDS.
- People with disability.
- Ward Based Planning.
- Economic development.
- Managing Eskom account.
- Revenue enhancement.
- Job creation.
- Regular update of the indigent register.

It is clear from the above that more still needs to be done to improve the lives of our people.The appointment of the new municipal manager shall boost our efforts in improving the lives of our people. Therefore, I wish to pledge myself and Ngwathe Council to work harder in our endeavour to improve the lives of our people of Ngwathe.

(Signed by :) _____

Mayor

T 1.0.

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

The Honourable Mayor, Speaker, Members of the Executive Committee, Councillors, the respected Community of Ngwathe at large, this is yet another time to present the annual report for the 2013/14 financial year.

The Supreme law of the country, Constitution of the Republic of South Africa in Section 152 mandates local government to realise the following objects that local government:

(a) to provide democratic and accountable government for local communities;
(b) to ensure the provision of services to communities in a sustainable manner;
(c) to promote social and economic development;
(d) to promote a safe and healthy environment; and
(e) to encourage the involvement of communities and community organisations in the matters of local government.

These objects are actualised and given oxygen by the necessary pieces of legislation governing local government key amongst which being the Municipal Finance Management Act,2003.

The realisation of the above within the local government context is embedded within the following five Key Performance Areas (KPA's):

1. Municipal Transformation and Institutional Development
2. Good Governance and Public Participation
3. Municipal Financial Viability
4. Service Delivery and Infrastructure Development; and
5. Local Economic Development.

"Mechanisms or initiatives' initiated during the year to improve overall efficiency and effectiveness of municipal activities include but are not limited to the following:

(i) the alignment of services to IDP indicators and Council priorities;

(ii) service delivery performance;
(iii) financial sustainability as represented by the financial health ratios;
(iv) the efforts the municipality is making to conserve power and water in its offices and other facilities to compliment the conservation measures its residents are being requested to adopt in their own housekeeping;

(v) Details of administrative policies made during the year reflecting the pressures from the world recession that impact on everyone (e.g. restrictions on conferences and other events outside your municipality and the use of meeting accommodation other than your municipality's own venues).

(vi) Shared Service Arrangements

One of the responsibilities of the District municipality is to support its local, the following therefore represents the shared service arrangements we have entered into with Fezile Dabi:

- ✓ **GIS**

As one of the locals within the Fezile Dabi District space, Ngwathe is reliant on the district with regard to GIS services for we have not as yet developed our own. Most of the geospatial issues are therefore taken care of, at this particular level.

- ✓ **Performance Audit Committee**

The difficulty in establishing our own audit committee led to the municipality resolving to utilise the services of Fezile Dabi District Municipality's Audit committee.

(vii) Municipal Demarcation Process

- As we are aware that the Municipal Boundaries are due for re determination in 2016, processes to bring such into effect effect have been kick started by MDB already, (2014-2015) **Ward Delimitation Plan has been availed,** all municipalities are therefore expected to adhere to this plan.
- **Local consultation process** with all municipalities is set aside by the MDB between October and December 2014.

T 1.1.1

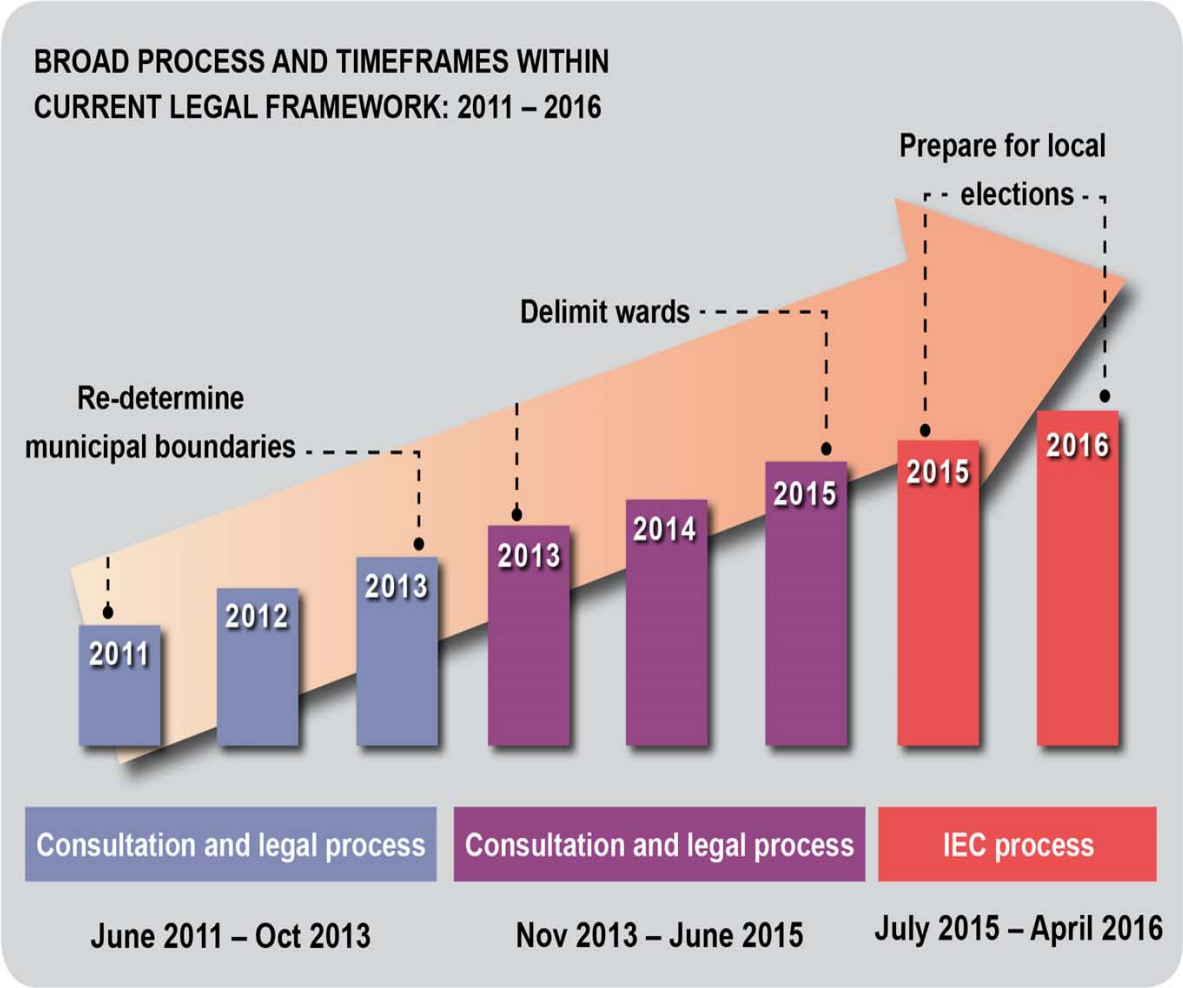


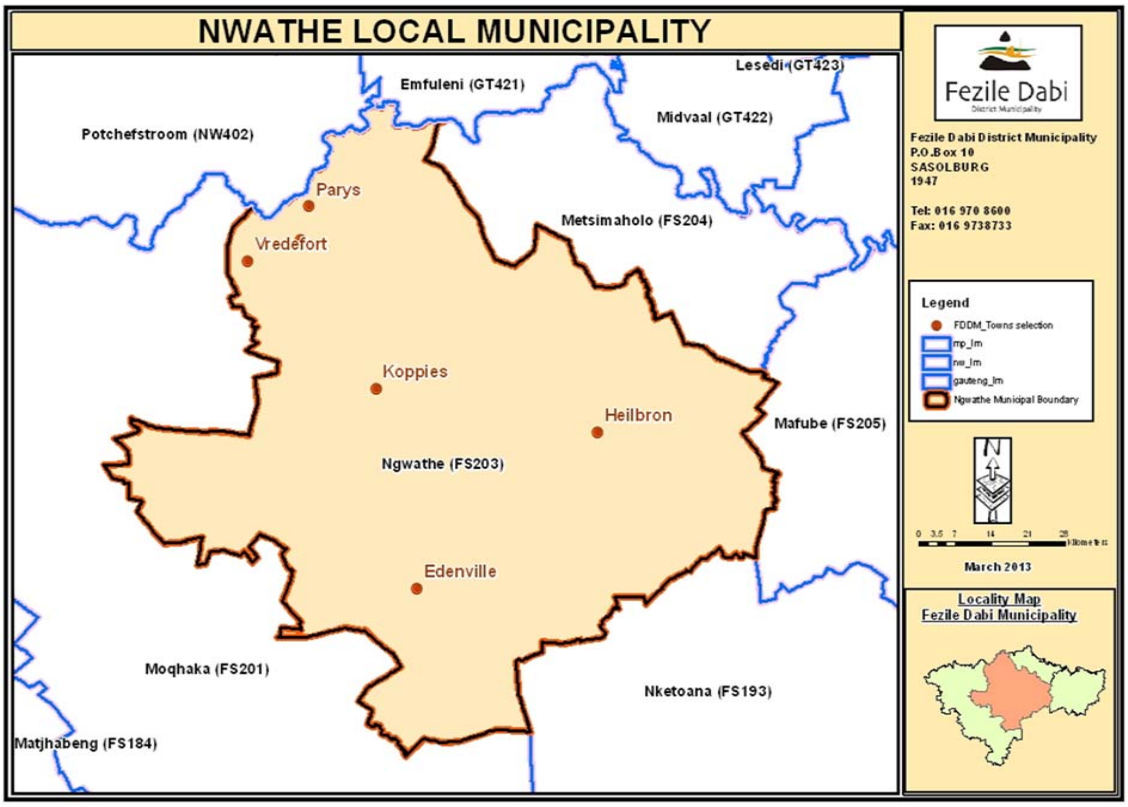
Table 1: Timelines for the determination/redetermination and ward delimitation processes.

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

Ngwathe Local Municipality is situated in the northern part of the Fezile Dabi District Municipality previously known as the Northern Free State, it is one of the four Local municipality within the district, the other three (3) being Moqhaka, Metsimaholo and Mafube. The geographical area of the municipality is 7055.0277 square kilometers and It comprises of five towns which are: Parys, Heilbron, Koppies, Vredefort and Edenville. It is strategically placed in the sense that it neighbours.

Ngwathe Map



(1) A municipality has the functions and powers assigned to it in terms of sections

156 and 229 of the Constitution. Such functions include but are not limited to the following:

Function	**Definition of function**	**MDB Prioritization**
Municipal Roads	Construction, maintenance and control of a road used by members of the public, including streets in built up areas.	1
Electricity reticulation	Bulk supply of electricity, which includes for the purpose of such the supply, the transmission, distribution, and where applicable the generation of electricity. Regulation, control and maintenance of the electricity reticulation network. Provision and maintenance of public lighting which includes street lights, high mast lights, etc. Tariff policies, monitoring of the operation of the facilities for adherence to standards.	1
Water (Potable)	Establishment or procurement, operation, management, and regulation of a potable water system, including the services and infrastructure required for the regulation of water conservation, purification, reticulation and distribution	1
Sanitation	Establishment or procurement, where appropriate, provision, operation, management, maintenance and regulation of a system, including infrastructure for the collection, removal and disposal or purification of human excreta and domestic waste-water.	1
, and crematoria	The establishments conduct and control of facilities for the purpose of disposing of human and animal remains. This includes , funeral parlous and crematoria.	1
Refuse Removal, refuse dumps and solid Waste	Removal of any household or other waste and the disposal of such waste in an area, space or facility established for such a purpose. It further includes the provision, maintenance and control of any infrastructure or facility to ensure a clean and healthy environment.	1
Storm water	Management of systems to deal with storm water in built-up areas	1

Firefighting	Fighting and extinguishing fires, the rescue and protection of any person, animal or property in emergency situations not covered by other legislations or powers and functions	1
Traffic	Management and regulation of traffic and parking, which includes control over speeding of vehicles on municipal roads.	1
Municipal Planning	Compilation of IDPs, preparation of the SDFs as a sectoral plan, development and implementation of a town planning scheme or land-use management scheme	1
Local Sport and recreation facilities	Provision and maintenance of sports and recreational facilities	3

T 1.2.1

POPULATION DYNAMICS

POPULATION GROUPS												
Ngwathe Age Group												
	1996				2001				2011			
	AGE 0-14	AGE 15-34	AGE 35-64	AGE Over 65	AGE 0-14	AGE 15-34	AGE 35-64	AGE Over 65	AGE 0-14	AGE 15-34	AGE35-64	Over 65
Ward 1	3123	2825	1814	465	3399	3642	2466	558	2391	2767	2358	392
Ward 2	1847	2013	1379	370	1620	2043	1524	435	1781	1772	1554	457
Ward 3	1911	2378	2221	653	1386	1767	1734	531	1431	1771	1754	560
Ward 4	1005	1081	572	140	1281	1302	768	162	1284	1216	788	185
Ward 5	2028	2235	1309	287	1758	2016	1407	396	1534	1613	1218	304
Ward 6	4482	3696	2729	491	4623	4989	3258	582	601	793	689	126
Ward 7	4339	4658	3244	687	3600	4233	3033	522	3541	3441	2385	430
Ward 8	2519	2740	1443	295	2115	2250	1512	285	4005	4363	3257	551
Ward 9	2372	2638	1617	262	1944	2190	1710	333	1636	2041	1664	330
Ward 10	1310	1446	1018	144	2106	1935	1302	201	1668	1931	1611	244
Ward 11	1895	2183	1446	255	1593	2040	1566	354	1173	1585	1170	293
Ward 12	1976	2635	1966	425	1863	2349	2070	444	1380	1898	1673	502
Ward 13	894	977	1741	1479	717	1068	2118	1545	743	1131	2032	1537
Ward 14	1419	1598	993	256	2037	2178	1581	285	1870	2143	1838	292
Ward 15	2084	1979	1192	261	1812	1995	1329	312	1434	1561	1187	337

Ward 16	1449	1588	1170	423	1926	2217	1629	477	3086	2983	2263	429
Ward 17	1648	1856	1024	244	813	951	591	162	2507	2437	1809	379
Ward 18	2970	2869	3309	1062	2178	2301	2973	867	947	1421	1782	749
Ward 19	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2312	2320	1674	420
Ward 20	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	958	1413	1921	423
TOTAL	**39271**	**41395**	**30187**	**8199**	**36771**	**41466**	**32571**	**8451**	**36282**	**40600**	**34627**	**8940**
T1.2.2												

(Source: Census 2011 STATSSA)

SOCIAL ISSUES

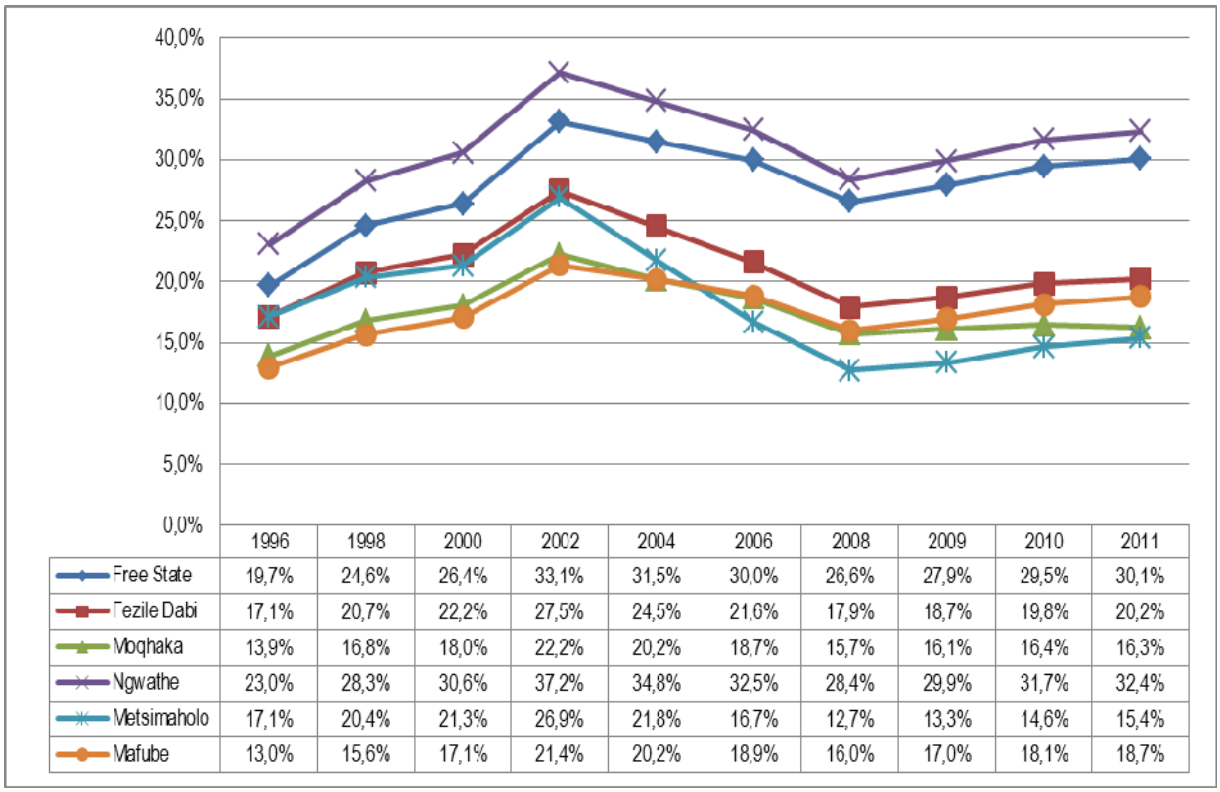
Social Status						
Year	Total population	Total Households	Average size of households	Unemployment Rate	Population Growth	Dependency Ratio
FDDM	488 036	127 389	3.83	33.9	0.61	54.02
NLM	120 520	36 474	3.73	35.2	0.14	60.2
						T 1.2.

ECONOMIC INDICATORS

Socio Economic Status						
Year	**Housing Backlog as proportion of current demand**	**Unemployment Rate**	**Proportion of Households with no Income**	**Proportion of Population in Low-skilled Employment**	**HIV/AIDS Prevalence**	**Illiterate people older than 14 years**
Year -2		(35.2%)				
Year -1						
Year 0		43.4%; Other groups 56.1% Youth	37.9%		62.1	38,4%
						T 1.2.

Source: (ETR.NE)

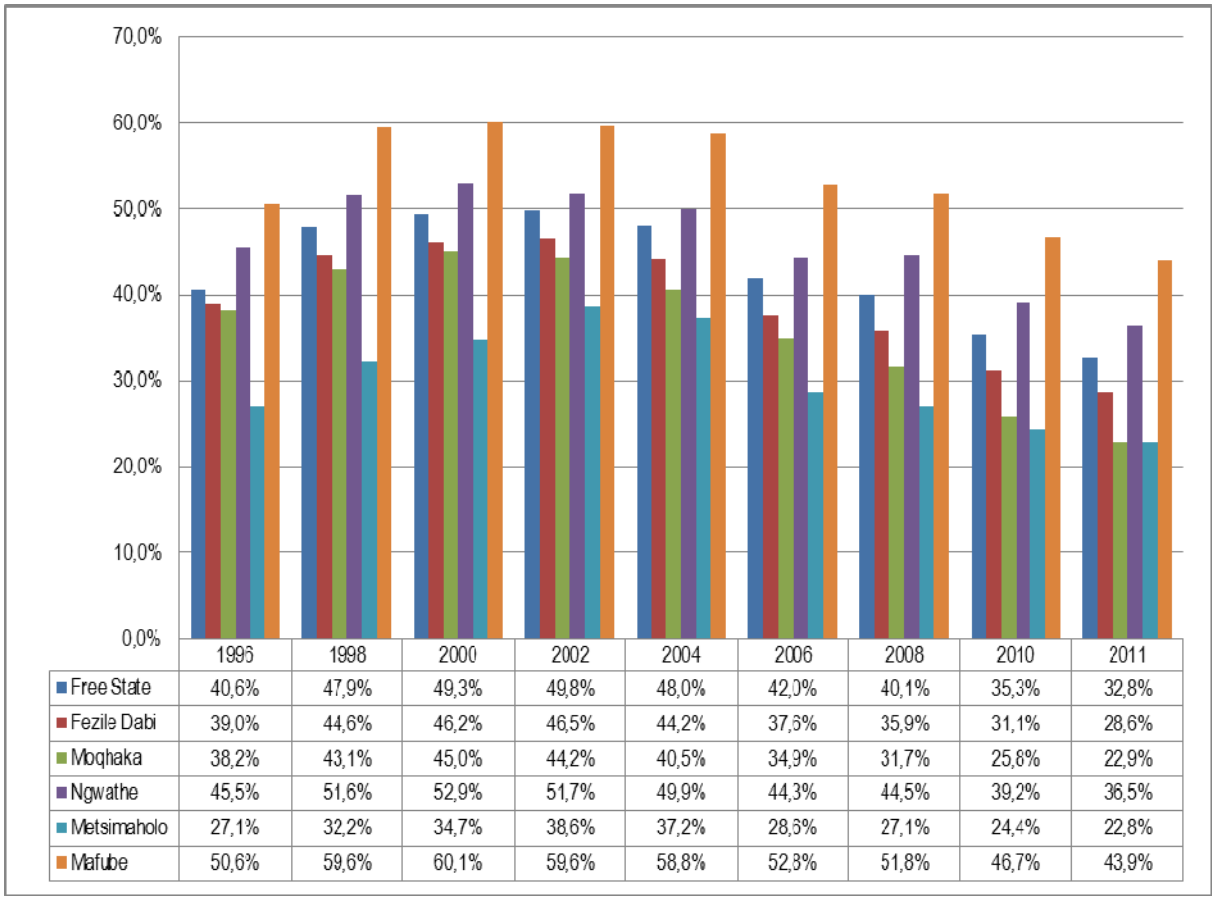
UNEMPLOYMENT RATES (District Perspective)



	1996	1998	2000	2002	2004	2006	2008	2009	2010	2011
Free State	19,7%	24,6%	26,4%	33,1%	31,5%	30,0%	26,6%	27,9%	29,5%	30,1%
Fezile Dabi	17,1%	20,7%	22,2%	27,5%	24,5%	21,6%	17,9%	18,7%	19,8%	20,2%
Moqhaka	13,9%	16,8%	18,0%	22,2%	20,2%	18,7%	15,7%	16,1%	16,4%	16,3%
Ngwathe	23,0%	28,3%	30,6%	37,2%	34,8%	32,5%	28,4%	29,9%	31,7%	32,4%
Metsimaholo	17,1%	20,4%	21,3%	26,9%	21,8%	16,7%	12,7%	13,3%	14,6%	15,4%
Mafube	13,0%	15,6%	17,1%	21,4%	20,2%	18,9%	16,0%	17,0%	18,1%	18,7%

(Source: Global Insight, ReX, 2013)

PERCENTAGE LIVING IN POVERTY (District Perspective)



	1996	1998	2000	2002	2004	2006	2008	2010	2011
Free State	40,6%	47,9%	49,3%	49,8%	48,0%	42,0%	40,1%	35,3%	32,8%
Fezile Dabi	39,0%	44,6%	46,2%	46,5%	44,2%	37,6%	35,9%	31,1%	28,6%
Moqhaka	38,2%	43,1%	45,0%	44,2%	40,5%	34,9%	31,7%	25,8%	22,9%
Ngwathe	45,5%	51,6%	52,9%	51,7%	49,9%	44,3%	44,5%	39,2%	36,5%
Metsimaholo	27,1%	32,2%	34,7%	38,6%	37,2%	28,6%	27,1%	24,4%	22,8%
Mafube	50,6%	59,6%	60,1%	59,6%	58,8%	52,3%	51,8%	46,7%	43,9%

Source: Global Insight, ReX, 2013

SETTLEMENTS

Overview of Neighborhoods within Ngwathe Local Municipality		
Settlement Type	Households	Population
Towns		
Parys	5 675	8071
Heilbron	3 316	1 143
Vredefort	1 031	786
Koppies	764	723
Edenville	1 166	433
Sub-Total	11 962	11 156
Townships		
Tumahole	10 695	37 675
Phiritona	8 513	5 482
Mokwallo	4 545	4 323
Kwakwatsi	3 133	3 703
Ngwathe	1 524	5 861
Sub-Total	28 410	57044
Rural/Farms settlements		
Parys	620	
Heilbron	1 604	
Vredefort	153	
Koppies	1 468	
Edenville	571	
Sub-Total	4 416	
Informal settlements		
Edenville / Ngwathe :	1003	
Heilbron/Phiritona:	2368	
Koppies Kwakwasi	1918	
Parys/Schonkenville	561	
Parys/Tumahole:	4356	
Vredefort/Vredeshoop:	41	
Vredefort/Mokwallo:	1592	
Total	Total backlog in Ngwathe municipality. 11893	
		T 1.2.6

Land Area (in square kilometres [km²])

	Land Area (km2)
RSA	1 220 813

FREE STATE	129 825
FDDM	21336.13
NLM	7 055

ENVIRONMETAL ISSUES

ENVIRONMENT		
Town	**Major Natural Resource**	**Relevance to Community**
Parys & Vredefort	Vredefort Dome World Heritage Site	• International significance • Tourist Attraction Centre
Parys	• Vaal River	• Natural water resource to Parys & Vredefort
Vredefort	The Lesotho Spruit	Limits residential development
Heilbron	• Eeufees Dam	Resort
Koppies	• Bentonite and Ceramic clay deposits. • Coal deposits are present in the area. • Diamond deposits, in the form of volcanic pipes are present in area. • Koppies Dam Nature Reserve (Renoster river)	• Extraction taking place but final product produced in Gauteng. • Exploitation thereof is not envisaged for several years • Voorspoed Mine • Natural water resource
Edenville	A red data species, Sun Gazer Lizards	Endangered species T1 .2.

COMMENT ON BACKGROUND DATA:

Two of our towns; Parys and Vredefort draw their water from the Vaal river, water quality remains a challenge for the said river runs through the two highly industrialised municipalities in the form of Emfuleni in Gauteng and Metsimaholo in the Free State, this and to some extent our treatment plants have an adverse effect on the quality of water. We are working closely with DWA to improve the situation. Heilbron relies on Rand Water through a pipeline that runs from Sasol; this exercise is very costly though. Koppies on the other hand draw its water from Renoster River, the higher the table the sufficient provision and vise versa. The last town that is an increasingly worrisome in Edenville for, it draws water from the bore holes, to date more than thirty boreholes have been drilled and some have been decommissioned due to low tables and others polluted.

T 1.2.8

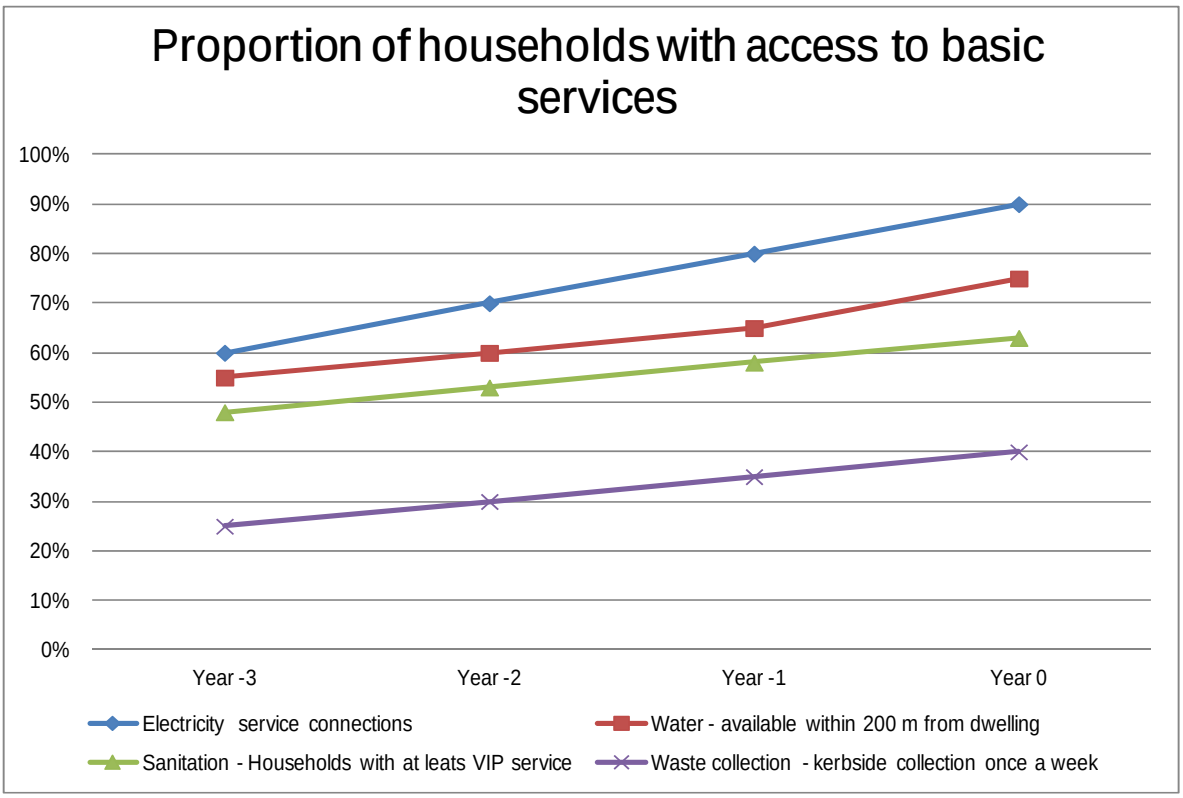
1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The provision of services by the municipality is structured in terms of the following Key focus Areas:

(a) Spatial Development Framework;
(b) Service Delivery and Infrastructure Development;
(c) Local Economic Development (LED);
(d) Financial Viability;
(e) Institutional Development and Organisational Transformation; and
(f) Good Governance.

T 1.3.1



T 1.3.2

COMMENT ON ACCESS TO BASIC SERVICES:

Having mentioned the above it is therefore important to indicate that in order to address the above, the municipality embarked on needs prioritisation per ward with the view of determining ward priorities for proper planning.

T 1.3.3

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

During the financial year under review, Ngwathe local Municipality had budgeted for a surplus of R 42.9 million (inclusive of capital grants). The municipality budgeted to levy or bill R 242.3 million for taxes, levies and tariffs, revenue from other sources amounting to R 16.9 million and grants receivable amounting to R 207.7 million as per DoRA.

During the financial year the municipality was faced with a number of challenges, the greatest challenge was and still is the outstanding Eskom account. As at the end of the financial year the municipality owed Eskom R164.9 million. The Eskom account is plagued by a number of legacy issues, such as bridged meters, electricity theft and theft of electricity cables. All these lead to the municipality not being able to meet its current account obligations (there is shortfall between revenue collected from electricity and expenditure incurred by the municipality on bulk purchases of electricity).

The municipality has entered into a number of payment agreement with Eskom, however the municipality is not able to maintain or implement the payment plan. The payment agreements are usually exorbitant and unrealistic and have a negative effect on the municipality's budget and cash flow.

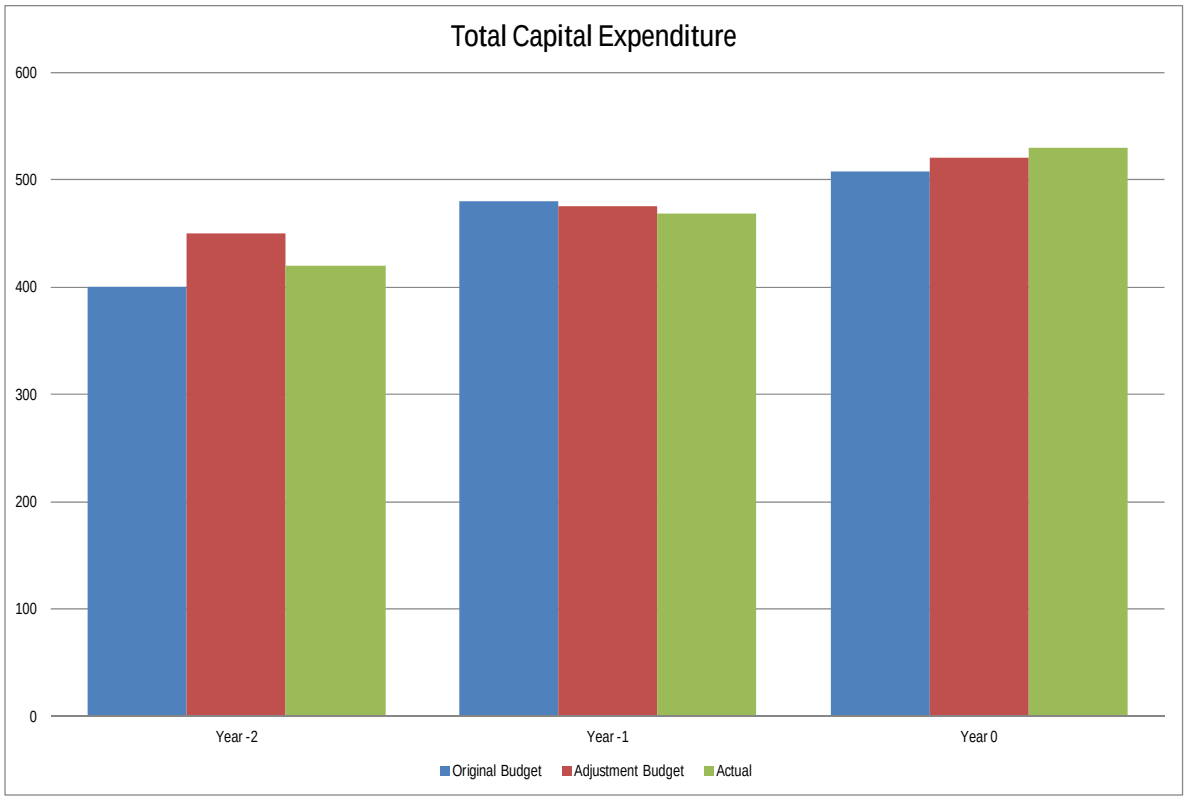
The municipality had appointed a Chief Financial Officer on the 12th January 2013 who subsequently resigned on the 3rd May 2014. The municipality then embarked on a drive to fill the vacant CFO position with the most suitably qualified incumbent, the post was therefor filled on acting capacities whilst the above was pursued.

The municipality has made strides in achieving institutional functionality and MFMA compliance; however there is still work to be done to ensure that the municipality is functional institutionally.

T 1.4.1

Financial Overview: Year 0			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	200	205	203
Taxes, Levies and tariffs	345	355	365
Other	100	80	78
Sub Total	645	640	646
Less: Expenditure	644	640	645
Net Total*	1	0	1
** Note: surplus/(defecit)*			*T 1.4.2*

Total Capital Expenditure: Year -2 to Year 0			
			R'000
Detail	Year -2	Year -1	Year 0
Original Budget	400	480	508
Adjustment Budget	450	475	520
Actual	420	468	530
			T 1.4.4



T 1.4.5

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Overview

Ngwathe municipality subscribes to a view that says, Organization development is an ongoing, systematic process of implementing effective organizational change.

Directorates

The institution is classified into the following directorates through which employment is housed;

- Political Offices (Mayor and Speaker)
- Municipal Manager's office
  - Financial Services
  - Technical Services
  - Community Services
  - Corporate Services

Regions

The municipality is composed of the following five (5) regions

_- Parys,
- Heilbron,
- koppies,
- Vredefort &
- Edenville.

Organogam

Employment is effected through the organogram that was adopted by Ngwathe Municipal Council in 2007, the municipality is however in the process of reviewing this organogram in responding to the current service delivery needs and challenges.

It is anticipated that the Municipal Council will be adopting a final reviewed organogram in the next financial year.

T 1.5.1

1.6. AUDITOR GENERAL REPORT

The report of the Auditor-General on the financial statements and other legal and regulatory requirements of Ngwathe local municipality for the financial year ended 30 June 2014 indicates that after auditing the 2013/14 financial statements and other legal and regulatory requirement, the AG could not provide a basis for an audit opinion (Disclaimer of opinion).

The above essentially means that the AG did not obtain sufficient appropriate audit evidence to provide a basis for an opinion.

As per the report, the disclaimer of opinion was mainly due to shortcomings from the municipality's side in the following areas;

- Property, plant and equipment,
- Payables from exchange transactions,
- Service charges,
- Consumer receivables from exchange transactions;
- Consumer receivables from non- exchange transactions;
- Unauthorized expenditure;
- Employee related cost
- General expenses;
- Investment property;
- Bulk purchases;
- Depreciation and amortization;
- Impairment loss;
- Irregular expenditure;
- Commitments;
- Finance cost;
- Prior period errors;
- Cash flow statement;
- Distribution losses and;
- Inventories

T 1.6.1

1.7. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	

11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January
		T 1.7.1

COMMENT ON THE ANNUAL REPORT PROCESS:

The Municipal System Act (MSA) 32 of 2000 and the Municipal Finance Management Act of 2003 (MFMA) requires that the 5-year strategy of a municipality which is the Integrated Development Plan (IDP), must inform the municipal budget and be monitored through the annual Service Delivery and Budget Implementation Plan (SDBIP). Thus ,the IDP, the Budget and the municipality's Performance Management Systems are linked. In relation to these provisions, the Performance Management of Section 56 & 57 Managers must be aligned to the implementation of the Integrated Development Plan.

Legislative Requirement:
The process of compiling the annual report is realized in terms of the following pieces of legislation;

- The Municipal Systems Act , 32 of 2000
- The Municipal Planning and Performance Management Regulations, 2001
- The Municipal Finance Management Act, No. 56 of 2003; and
- The Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006.

Community Involvement
Section 42 of the MSA 32:2000 states that "A municipality, through appropriate mechanisms. processes and procedures established in terms of Chapter 4, must involve the local community in the development ,implementation and review of the municipality's performance. management system and, in particular, allow the community to participate in the setting of appropriate key performance indicators and performance targets for the municipality."
This report will therefore also be subjected to that exercise once adopted by Council in building up to the Oversight report.

Submission
The report will then be submitted toTreasury and the AGSA as well as COGTA and be published on the municipal website.

T 1.7.1.1

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Ngwathe local Municipality has been classified as a Category B Municipality; a plenary executive system combined with a Ward participatory system. Of the 39 Councillors, only two are full time, they are the Mayor and the Speaker.

T 2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Objects of Local government

In terms of the Constitution of the Republic of South Africa: Act 108 of 1996, a municipality must within its financial and administrative capacity strive to achieve the following objects as set out in Chapter 7 Section 152 (1):

(a) To provide democratic and accountable government for local communities;
(b) To ensure the provision of services to communities in a sustainable manner;
(c) To promote social and economic development
(d) To promote a safe and healthy environment; and
(e) To encourage the involvement of communities and community organization in the matters of local government.

T 2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION POLITICAL GOVERNANCE

General responsibilities of the Mayor in terms of section 52 of the MFMA

The Mayor of a municipality—

(a) must provide general political guidance over the fiscal and financial affairs of the municipality;

(b) in providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the Accounting officer and the Chief Financial Officer, but may not interfere in the exercise of those responsibilities;

(c) must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;

(d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and

(e) must exercise the other powers and perform the other duties assigned to the Mayor in terms of this Act or delegated by the Council to the Mayor.

EXCO

The municipality is composed of the Executive Committee (EXCO) which is chaired by the Mayor and draws membership from the memebers of the committee who are chairs of the following Portfolio Committees :

PORTFOLIO COMMITTEES

Cllr TL Vandisi (Parys)	INFRASTRUCTURE & LED
Cllr GP Mandelstam (Parys)	FINANCE & BUDGET
Cllr N Mopedi (Parys)	URBAN, RURAL, PLANNING & HOUSING
Cllr M Serathi (Heilbron)	CORPORATE SERVICES
Cllr K Serfontein (Koppies)	SOCIAL & COMMUNITY DEVELOPMENT
Cllr A Schoonwinkel (Parys)	PUBLIC SAFETY & TRANSPORT

Oversight

The Oversight Committee has been established but had some challenges and thus could not produce the oversight report for the past financial year;

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POLITICAL STRUCTURE

OFFICE	INCUMBENT	FUNCTIONS
Mayoral	 The Mayor: Cllr Joey Mochela	✓ IDP. ✓ Executive Committee ✓ Portfolio Committees. ✓ Poverty alleviation. ✓ Youth Development. ✓ Gender Promotion. ✓ HIV& AIDS. ✓ Bursaries. ✓ Communications. ✓ Disability. ✓ Pauper Burials.
Speaker	 The Speaker: Cllr Phillemon Ndayi	✓ Council. ✓ Councillors. ✓ Public Participation. ✓ Ward Committees. ✓ PPO's. ✓ CDW's. ✓ CWP.

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	 Cllr M Serathi (Heilbron)	**Chair: Corporate Services Committee**
	 Cllr TL Vandisi (Parys)	**Chair: Infrastructure and LED Committee**
	 Cllr GP Mandelstam (Parys)	**Chair: Finance and Budget Committee**

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	 Cllr N Mopedi (Parys	**Chair: Urban, Rural Planning and Housing Committee**
	 Cllr A Schoonwinkel (Parys)	**Chair: Public Safety and Transport Committee**

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	 Cllr C Serfontein (Koppies)	**Chair: Public Safety and Transport Committee**

COUNCILLORS
Following the 2011 local government elections, Council is composed of 39 Councillors (20 Ward and 19 Proportional Representation) Party set up: ANC = 28 DA = 09 FFP = 1 COPE = 1
Refer to **Appendix A** for a full list of Councilors including committee allocations and attendance at council meetings. Also refer to **Appendix B** which sets out committees and committee purposes. *T 2.1.2* POLITICAL DECISION-TAKING *1.2.* **Powers and Responsibilities of the municipality** 1.2.1. Section 151 of the Constitution, 1996 states that the executive and legislative authority of a municipality is vested in its municipal council 1.2.2. The municipality has all the powers assigned to it in terms of the Constitution as well as national and provincial legislation. The municipality has the right to do anything reasonably necessary for or incidental to the effective exercising of its powers. 1.2.2 The executive and legislative authority of the municipality vest in the Council, and the Council takes all the decisions of the municipality except - (a) decisions on those matters that have been delegated; (b) decisions on those matters that have by law been assigned to a political structure, political office bearer or employee of the Council; 1.2.3 The Council may exercise executive and legislative authority within the municipal area of the municipality only, but may, by written agreement with another municipality, exercise executive

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authority in the area of that other municipality.

1.2.4 A municipality, as provided for in section 11 of the Systems Act, exercises its legislative or executive

1.2.5 A municipality must within its administrative and financial capacity establish and organise its administration in a manner that would enable the municipality to:

1.2.6 A decision taken by the Council or any other political structure of the municipality must be recorded in writing.

1.2.7 All the powers of the municipality that have not been reserved for the Council, or that have not been delegated or assigned to a political structure, political office bearer or employee of the Council, are delegated to the Mayor of the Council.

T 2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Systems Act 32:2000 section 55 states that:

(1) As head of administration the municipal manager of a municipality is, subject to the policy directions of the municipal council, responsible and accountable to/or—

(a) the formation and development of an economical. effective, efficient and accountable administration-

(i) equipped to carry out the task of implementing the municipality's integrated development plan in accordance with Chapter 5:

(ii) operating in accordance with the municipality's performance and management system in accordance with Chapter 6; and

(iii) responsive to the needs of the local community to participate in the affairs of the municipality;

(b) the management of the municipality's administration in accordance with this Act and other legislation applicable to the municipality:

(c) the implementation of the municipality's integrated development plan, and the monitoring of progress with implementation of the plan

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ADMINISTRATIVE STRUCTURE

Title	**Incumbent**	**functions**
Municipal Manager	 Mr. LD Kamolane	✓ Employees. ✓ Policies. ✓ Risk & Compliances. ✓ Directorates. ✓ Regions. ✓ Strategic Planning. ✓ PMS. ✓ IGR. ✓ Provision of Services. ✓ Stakeholder Relations. ✓ IDP. ✓ Website. ✓ Reporting.
Community Services	 Mr. B Netshivhozha	✓ LED. ✓ Housing and Development. ✓ Traffic. ✓ Disaster Management. ✓ Fire. ✓ Land. ✓ Commonages. ✓ Refuse Removal. ✓ Land fill Sites. ✓ Building Plans. ✓ Parks & Recreation. ✓ Mimosa. ✓ Library Services. ✓ Environmental Health. ✓ ECD.

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Finance	 Me. T Mkhuma	✓ Budgeting. ✓ Revenue. ✓ Financial Statements. ✓ Supply Chain. ✓ Assets Management. ✓ Accounts & Billing. ✓ Fleet Management. ✓ Metering.
Technical	 Mr. N Tshabalala	✓ Water. ✓ Sanitation. ✓ Storm Water. ✓ PMU. ✓ Roads. ✓ Infrastructure Projects. ✓ Electricity
Corporate	 Mr. ZJ Majivolo	✓ Human Resource ✓ Admin & Legal ✓ Work Place Skills Plan. ✓ Learnerships &/ Internships. ✓ Council Agenda & Minutes. ✓ Building Maintenance. ✓ Recruitment & Placements. ✓ Labour. ✓ Employment Equity.

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COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS
2.1 The object of this Act is to provide within the principle of co-operative government set out in Chapter 3 of the Constitution a framework for the national government, provincial governments and local governments, and all organs of state within those governments, to facilitate co-ordination in the implementation of policy and legislation, including- (a) coherent government; (b) effective provision of services; (c) monitoring implementation of policy and legislation; and (d) realization of national priorities.

2.2 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES Nationally the municipality is participating in the following structures;

Structure	**Value**
MISA	**Infrastructure development**
Refocused MTAS	One of the ten identified in the province for intervention by National DCOG

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Structure	**Value**
Provincial Coordinating forum (PCF) of the Premier	Provincial direction in terms of realization of the priorities.
SALGA Working groups and Municipal Manager's forum	Source of information
Provincial MTAS steering committee	Mobilization of resources for Municipal challenges

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IDP Manager's Provincial forum	Improve the quality of the IDP
Provincial Human Resource Manager' forum	Source of information
MM's Forum;	Coordinated planning
LED Manager's Forum;	Coordinated planning
Skills Development Facilitator's Forum	Coordinated planning
PPO's Forum (Steering Committee)	Coordinated planning
MIG Forum	Effective MIG implementation
Revenue Enhancement Committee with Provincial Treasury	Enhanced revenue collection strategies

DISTRICT INTERGOVERNMENTAL STRUCTURE

Structure	**Value**
District Coordinating Forum (DCF) (Mayor's Forum)	Mayoral Development Forum within the district.
Speaker's Forum	Coordinated planning
Technical IGR (municipal Manager' s Forum	Discuss interventions where necessary.
IDP Manager's forum	Improve the quality of the IDP

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Energy forum	Attend to energy issues
M & E Forum	Monitor progress
MTAS Forum	Monitor progress
Water Forum	Water issues including Blue and Green drop
IT Steering Committee	IT Issues
Corporate Services Forum	Corporate issues
Community Services Forum	Community issues
PPO's Forum (Steering Committee);	Speaker's issues
Skills Development Facilitator's Forum;	Coordinated planning
	T 2.3.4

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

MSA section 17 (2): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18 (a) - (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

The municipality has established an Oversight committee and further developed a Public Participation Strategy during the year under review through the office of the Speaker, all matters of public participation will therefore be carried out in terms of same. During the year under review some Councillors were privileged to attend the MPAC training in preparation of the establishment of the municipality's own Public Accounts Committee.

T 2.4.0

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2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

One of the main features of the IDP planning process is the involvement of community and stakeholder organizations in the process, such an involvement ensures an IDP that is informed by REAL and ACTUAL ISSUES DIRECTLY EXPERIENCED BY COMMUNITIES. It is therefore crucial for the Municipality to adopt an appropriate mechanism and also put in place appropriate structures to ensure effective participation. Ngwathe Public Participation Policy is the guiding document is this regard, this policy takes cue from the Provincial Community Based Planning Model (CBP).

Ward Committees

The main drivers of the public Participation is the Ward Committee, their functionality will therefore come in handy for the success of Municipal Planning and Development and help reduce service delivery protests.

Functional/ Effective Ward Committees:

- Hold regular meetings, starting on time and good attendance,
- Collective implementation of decisions,
- Constructive communication with municipality,
- Regular engagement with communities,
- Ensures that community issues are discussed in Council.

Principles of Public Participation:

- Collaborative Planning.
- Citizen Participation.
- Cooperation.
- Team Work.
- Public Education.
- Common Vision.
- Collective Ownership.

Structured Participation:

A structured public participation process will be followed.

- Ward councillors and Ward Committees will in most cases lead the proceedings
- Ward based approach is the key to reach as vast and many members of our communities.
- Existing public participation structures will be used.
- Door to door will also be used to address the principle of inclusivity.
- Appropriate forms of media will be utilized in order to reach as many people as possible.
- All relevant community and stakeholder organizations will be invited to register as members of the IDP Representative Forum.
- An appropriate language and accessible venues will be used to allow all stakeholders to freely participate.
- The IDP Representative Forum meetings will be scheduled to accommodate the majority of the

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members.

- Copies of the IDP documents will be made available for all communities and stakeholders and adequate time provided for comments.

Diversity:

- The way public participation is structured provides sufficient room for diversity within the Municipal area in terms of different cultures, gender, language and education levels.
- Participants will therefore be made aware that it is in their own interest to be involved in the planning process and it is not a task they have to be paid/pay for.
- Participants are responsible and expected to give report back to the structures that they represent.

T 2.4.1

WARD COMMITTEES

The primary functions of the ward committees are:
(a) to serve as an official specialised participatory structure in the municipality;
(b) to create formal unbiased communication channels as well as co-operative partnerships between the community and the council. This may be achieved as follows:
(i) Advise and make recommendations to the ward councillor on matters and policy affecting the ward;
(ii) Assist the ward councillor in identifying conditions, challenges and the needs of residents;
(iii) Spread information in the ward concerning municipal affairs such as the budget, integrated development planning, service delivery options and municipal properties;
(iv) Receive queries and complaints from residents concerning municipal service delivery, communicate it to council and provide feedback to the community on council's response;
(v) Ensure constructive and harmonious interaction between the municipality and community through the use and coordination of ward residents meetings and other community development forums; and
(vi) Interact with other forums and organizations on matters affecting the ward.
(c) To serve as a mobilising agent for community action. This may be achieved as follows:
(i) Attending to all matters that affect and benefit the community;
(ii) Acting in the best interest of the community;
(iii) Ensure the active participation of the community in:
(a) Service payment campaigns;
(b) The integrated development planning process;
(c) The municipality's budgetary process;
(d) Decisions about the provision of municipal services; and
(e) Decisions about by-laws.
(iv) To draw up the boundaries of a ward and chair zone meetings.

<u>Ward Committees are faced with the following challenges:</u>
- Lack of operation space.

<u>PPO's</u>

Every town has a PPO who are housed within the Speaker's office and account directly to the Public Participation Manager, their main function is to support both the Ward Committees and the CDW's.

CDW's

On the other hand CDW are the functionaries of the wards, they are intended to make the work of ward councilors possible, 18 of 20 wards have CDW's, the two outstanding wards are 19 & 20.

T 2.4.2

Nature and purpose of meeting	**Date of events**	**Number of Participating Municipal Councillors**	**Number of Participating Municipal Administrators**	**Number of Community members attending**	**Issue addressed (Yes/No)**
Training on Municipal Budgetary, IDP Processes and other related topics	27/11/13	12	12	180	yes
Ward Committee Training	April 2014	8	8	168	yes
Ward committee Training	15/06/1414	10	10	175	yes
IDP & BUDGET	13/04 14/04; 15/04; 22/04 23/04; 27/04; 29/04 30/04;	20	10	2500	yes
Public Participation IDP	20/11/13 21/11/13 25/11/13 26/11/13 29/01/14 25/02/14 26/02/14 27/02/14 04/03/14 05/03/14	37	10	2500	yes
Amon Nteo Memorial Games	18 to 20 April 2014	5	10	8000	yes
Title Deed Distribution	05/10/2013; 01/05/2014	37	5	372	yes
Tournament in Koppies	12 to 13 April 2014	3	6	480	yes
Primary Healthcare Clinic on Wheels-Koppies	12 to 16 May	3	7	1200	yes

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Indigent registration	17 to 25 May	39	25	5253	yes
Consumer Education Training	23 to 27 June 2014	20	15	180	yes
Social Development Programme	19/03	3	2	125	yes
I.D. Campaign	27/11/2013	20	3	557	yes
Back to School Campaign	18 January	3	3	84	yes
Presidential Inauguration	24 May	-	5	135	yes

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Most of the meetings are held per ward and led by the Ward Councillors working with ward committees, whilst some ward meetings are effective and attendance is encouraging, the same cannot be said for some wards, for the average attendance is far less than fifty percent 50%, this is especially worse in predominantly town areas.

T 2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	**Yes/No**
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	No
** Section 26 Municipal Systems Act 2000* *T 2.5.1*	

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COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

NLM as local sphere is dependent on other especially higher structures to effectively provide essential services to the communities. In terms of Sec 41;1 (h) of the Constitution each sphere of government must co-operate with one another in mutual trust and good faith by:
- fostering friendly relations;
- assisting and supporting one another;
- informing one another of, and consulting one another on matters of common interest;
- coordinating their actions and legislation with one another;
- adhering to agreed procedures;
- avoiding legal proceedings against one another.

T 2.6.0

2.6 RISK MANAGEMENT

The risk management committee is not yet appointed, which delays the process of evaluating the efficiency and effectiveness of risk management in the municipality. The risk strategy was developed and item was prepared for council adoption and the document has not yet been approved. The document is still in a draft state and awaits the council resolution.

The risk management policy was reviewed as the policies were reviewed for new financial year. The policy is very detailed on the responsibilities of all municipal officials including elementary employees. The worrying factor was that some officials do not take into account the risk factor as they take decisions which they have to account for as they will impact negatively to the municipality in future.

The risk champions were appointed per directorate and there was a planned risk champion's workshop which could not materialize; the purpose of the said workshop was to bring the understanding of risk management concept to the employees in general.

The Risk unit was not fully functional due to shortage of staff . The risk registers were presented to the Audit Steering Committee (internal municipal arrangement) and also at the municipality strategic session and the directorates were requested to coordinate departmental meetings which will enable the directorates to mitigate the risks identified in their respective directorates. There has not been any positive progress in term of the mitigating the risks in the respective directorates, assistance was sought from municipal manager to take the matter to senior management meetings.

The challenges were that the municipality did not conduct risk assessment on the projects, which seeks more attention from the director of technical services.

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The risk management budget inputs were incorporated in the overall budget inclusive of the additional staff for ensuring that this unit becomes fully functional .The budget highlights the importance of risks workshops, fraud and corruption awareness activities as well as the capacity building programs for community members, councilors and the municipal officials.

Municipality invited Provincial Treasury in the Strategic Planning Session to workshop the councilors and management team on issues of risk management. The critical risks were highlighted which will require some support from the councilors. The issue of fruitless and wasteful expenditure that the municipality must work on were listed and the management team was requested to develop a plan in addressing the challenges.

T 2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

The fraud prevention activities have been incorporated in the risk management policy, but there were challenges in terms of the development of the fraud prevention plan. Provincial treasury played a significant role in assisting the municipality in developing the document. The draft fraud prevention plan was developed and circulated to different directorates, in order to ensure that the plan is communicated fully with all the internal stakeholders before the external stakeholders (IDP Representatives Forum). The intention was to reflect the commitment that the municipality has adopted in terms of the zero tolerance on fraud and corrupt activities. The directorates were expected to submit written inputs, after which they were incorporated in and the document will be processed to council for approval.

T 2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Supply Chain Management Unit is an active section within finance department reporting directly to the Chief Financial Officer.

- The SCM Headed by the SCM Manager (consists of eleven officials).

SCM office 5 officials and 1 intern (5 females and 2 Males)

Assets and Fleet section (as a sub section) consist of four officials (Fleet Management consist of 2 Male and Assets consist of 2 males)

- The SCM is guided by its policies and guidelines established and provided by the National Treasury.
- The SCM officials are well trained in order to interact with all departments within the municipality in order to ensure effective and flexible procurement of goods and services.

- The main core function of the SCM is to procure all the goods and services required/requested by all the departments within the municipality in accordance with a system which is fair, equitable, transparent, competitive and cost effective in order to ensure that service delivery reaches the community within the municipality.

- The SCM unit promotes good governance and ethics in order to promote Batho Pele principles through procuring goods and services.

- The main goal of SCM is to provide a mechanism to ensure sound, sustainable and accountable Supply Chain Management processes within NLM.

- The SCM is currently functioning with the assistance of FS Provincial Treasury (SCM unit) in order to ensure compliance and effective processes.

- The SCM functions through the three (3) Bid Committees which are 1. Specifications, 2. Evaluations and 3. Adjudications.

Supplier database form is available from the SCM office and will be placed on the municipal website shortly. *T 2.8.1*

2.9 BY-LAWS

By-laws Introduced during Year 0					
Newly Developed	**Revised**	**Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)**	**Dates of Public Participation**	**By-Laws Gazetted * (Yes/No)**	**Date of Publication**
Credit Control and Debt Collection By-Law	new by-law	Yes	25 – 29/06/2012	Yes	17 May 2013
Informal settlement	new by-law	Yes	25 – 29/06/2012	Yes	
Control of street vendors, peddlers or Hawkers	new by-law	Yes	25 – 29/06/2012	Yes	
Electricity Supply	new by-law	Yes	25 – 29/06/2012	Yes	
Fire and emergency Services	new by-law	Yes	25 – 29/06/2012	Yes	
**Note: See MSA section 13.*					*T 2.9.1*

COMMENT ON BY-LAWS:

The Municipality will be embarking on promulgating the other 6 by-laws in the next financial year.

T 2.9.1.

2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	**Yes / No**	**Publishing Date**
Current annual and adjustments budgets and all budget-related documents	Yes	29/01/2014
All current budget-related policies	Yes	07/02/2014
The previous annual report (Year -1)	Yes	
The annual report (Year 0) to be published	Yes	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	
All service delivery agreements (Year 0)	No	
All long-term borrowing contracts (Year 0)	No	
All supply chain management contracts above a prescribed value (give value) for Year 0	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in Year 0	No	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	No	
SCM Tender Policy	Yes	07/02/2014
Draft SDBIP	Yes	27/02/2014
LED Strategy	Yes	27/02/2014
LED Strategy Notice	Yes	27/02/2014
IDP Schedule Notice	Yes	10/03/2014
IDP Rep Forum	Yes	10/03/2014
Tender & SMME Workshop	Yes	17/03/2014
Advert Director Technical Services	Yes	18/03/2014
Advert Heavy Duty	Yes	16/04/2014
IDP & Budget Schedule Notice	Yes	17/04/2014
Review IDP 2014/15	Yes	23/04/2014
		T 2.10.1

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COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The municipality was reliant on SITA as the host of the website, this meant officials had to go to Bloemfontein to upload the information on the website, the advent of the integrated website for the entire province including the municipalities will by and large help in alleviating this problem fomeasures put in place for data gathering lessen this burden.
Another major challenge is the municipality not having wem operator on full time basis, this is a consideration for the next financial year.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFCATION LEVELS
The municipality has posted books at the customer service points to serve as Complaints registers.
T 2.11.1

COMMENT ON SATISFACTION LEVELS:
Though the complaints registers are in place, the level of monitoring has not as yet reached the required levels. There is no dedicated personnel to make follow ups and give feedback where is due.
T 2.11.2.2

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CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

Objects of Local government

In terms of the Constitution of the Republic of South Africa: Act 108 of 1996, a municipality must within its financial and administrative capacity strive to achieve the following objects as set out in Chapter 7 Section 152 (1):

(b) To provide democratic and accountable government for local communities;

(c) To ensure the provision of services to communities in a sustainable manner;

(d) To promote social and economic development

NLM is also attempting to provide services in terms of this mandate.

T3.0.1

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

In order to realise the above mandate NLM is providing the following services:

Municipal Roads, Electricity reticulation, Water (Potable), Sanitation, , and crematoria Refuse Removal, Refuse dumps and solid Waste, Storm water, Fire fighting, Traffic, Municipal Planning, Local Sport and recreation facilities.

MISA has appointed Pro-Plan to produce Master Plans for all towns in Ngwathe for water, electricity, roads and storm water and sanitation including 3 landfill sites. MISA will be providing both the technical and financial support on these projects.

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Access to Basic Services

The following table depicts the scenario as per the Census 2011

Geo items	Total households	% Access to water at or above RDP level	% Access to electricity	% Access to sanitation at or above RDP level	% Access to refuse removal services
Ward 1	2.265	940	838	644	452
Ward 2	1.721	992	962	994	940
Ward 3	1.898	943	881	903	888
Ward 4	906	955	916	721	947
Ward 5	1.306	998	969	978	962
Ward 6	716	940	908	842	596
Ward 7	2.831	878	792	416	848
Ward 8	3.75	953	923	841	804
Ward 9	1.674	995	983	996	961
Ward 10	1.662	954	952	786	770
Ward 11	1.286	985	934	919	956
Ward 12	1.903	995	974	998	997
Ward 13	2.19	995	992	998	990
Ward 14	1.929	993	963	991	990
Ward 15	1.255	999	972	993	998
Ward 16	2.409	889	919	565	988
Ward 17	1.925	999	957	994	993
Ward 18	1.757	933	934	841	669
Ward 19	1.949	980	909	906	888
Ward 20	1.77	937	828	580	292

(Source: STATSSA: Census 2011)

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3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

The water services development plan of the municipality has been linked with the IDP and it is addressing the water issues of the intergrated development plan.

The aim is to:

1 to develop water infranstruture and assist consumers with provision of portable water

2 to provide basic services for all. To provide an acceptable quality water to all communities

The following project was completed in the 2013/14 financial year:

Water house connections in Mokwallo Vredefort

The project entails the water connections to 1 625 houses, installation of water meters and the installation of standpipes/yard connections in Mokwallo, Vredefort.

There was one water project, namely:

Parys: Refurbishment and upgrading of the water purification plant

The Contract covers the provision of mechanical and electrical work for the refurbishment of Parys Water Treatment Plant. The refurbishment comprises the supply and installation of all electro-mechanical material and equipment flow control, the primary and secondary chemical dosing facilities and first phase separation for the existing 15 Ml/day settling tanks. The project is 98% complete.

Parys: Boreholes project

The project seeks to reduce the water shortages in Tumahole township. The project comprises of the drilling of a new borehole next to the old dysfunctional borehole in Mandela Section to feed Reservoir 2, the new borehole in Schonkenville as well as a 4km pipeline to Reservoir 1. The project will not alleviate the water shortage completely but will assist the communities in obtaining basic potable water. The project is 80% complete.

The following water supply schemes are located in the Ngwathe Municipal region

The Parys town and Tumahole areas uses Vaal river as its water source

Vredefort town and Mokwalo areas uses Vaal river as its water source

Koppies area uses Renoster River as its water source

Heilbron is supplied by Rand water board through bulk water pipeline from Vereeniging.

Edenville is using 17 fully functional boreholes and the system has been upgraded

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Ground water resources are frequently monitored for drinking water quality in Edenville, Water quality and water shortages have been experienced by consumers because some of the boreholes run dry during summer season, this is not a problem during winter as the water demand is least during this period. During summer, the municipality is complementing this by transporting 90kl of water from Heilbron on daily basis including weekends and public holidays. This exercise is very costly but unavoidable.

COMMENT ON WATER USE BY SECTOR

At this stage the municipality supplies water to all the sectors found within its space at normal billing rates, these sectors are:

Police department

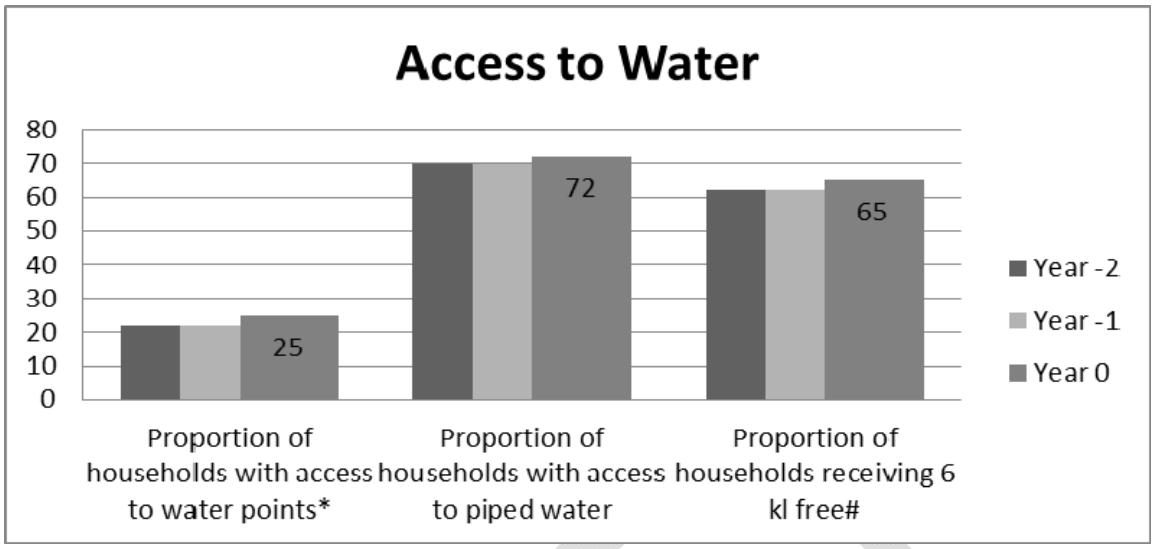
Education department

Health Department

And some of the non-governmental organizations such as churches etc.

Households - Water Service Delivery Levels below the minimum						
						Households
Description	**Year -3**	**Year -2**	**Year -1**	**Year 0**		
	Actual	**Actual**	**Actual**	**Original Budget**	**Adjusted Budget**	**Actual**
	No.	**No.**	**No.**	**No.**	**No.**	**No.**
Formal Settlements						
Total households	35722	35722	35722	35722	35722	35722
Households below minimum service level	4 218	4 218	4 218	4 218	4 218	4 218
Proportion of households below minimum service level	12%	12%	12%	12%	12%	12%
Informal Settlements						
Total households	0	0	0	0	0	0
Households below minimum service level	1 620	1 620	1 620	1 620	1 620	1 620
Proportion of households ts below minimum service level						

DRAFT



COMMENT ON ACCESS TO WATER

* Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute, 6,000 liters of potable water supplied per formal connection per month

DRAFT

3.1 WATER PROVISION

Water Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**Year -1**		**Year 0**			**Year 1**	**Year 3**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators		***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective									
To ensure the sustainable bulk provision of adequate safe and potable drinking water to all communities at all times.	Eradicate backlogs in order to improve access to services and ensure proper operations and maintenance			Renovate and upgrade the Water Purification Plant to address water shortages in Parys, Tumahole and Schonkenville .	Upgrade the Parys Water treatment Plant	The project is currently underway with the bulk of the mechanical components already installed and commissioned . The project is 95% (phase 3) complete and the quality of work is satisfactory.			The second phase is planned to commence in September 2014. Allocation for the following phase is R 13,000, 000m.
				Remaining backlog of 1,625 households on proclaimed areas.	The project entails the water connections to 1625 houses, installation of water meters and the installation of standpipes/yard connections in Mokwallo, Vredefort.	Project has been completed.	Achieved		

EMPLOYEES: WATER SERVICES

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0%
4 - 6	0	4	0	4	100%
7 - 9	1	7	1	6	86%
10 - 12	30	35	30	5	14%
13 - 15	0	10	0	10	100%
16 - 18	6	30	6	24	80%
19 - 20	0	0	0	0	40%
Total	**39**	**88**	**39**	**49**	**56%**

T3.1.7

Capital Expenditure Year 0: Water Services					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 35,451,730.00	-	R 15,396,004.49	0%	
Parys WTW	R 28,895,732.00	-	R 15,396,004.04	0%	R 31 895 731.00
Mokwallo: Construction of water connections for 1625 stands	R 6,555,998.00	R 2,767,934.08	R 9,323,932.08	42%	R 9,323,932.08
					T 3.1.9

COMMENT ON WATER SERVICES

There are currently 3 water treatment plant in all 5 towns under the municipal area of jurisdiction that is Parys, Vredefort and Koppies with Edenville using Borehole water , Rand water(WSP) is the supplier of drinking water to Heilbron town.

Due to financial constraints the upgrading PWTW will be done in phases.The 3rd phase which is currently running to the value of R 9 306 973.00 is expected to be completed in September 2014,The 4th phase will kickoff immediately after the completion of the 3rd phase.

Current water demand and future needs per town

Town	Current water capacity Ml/d	Future water Demand Ml/d	Water capacity shortfall Ml/d
Parys	15	30	15
Vredefort	5	10	5
Koppies	5	10	5
Heilbron	2	20	18
Edenville	3	10	7

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

The minicipality does not have a water services development plan that is linked with the IDP. This document needs to be drafted in order to address the water and sanitation issues of the IDP.

Purpose

To develop sanitation infrastructure

To Provide basic sanitation services for all

Currently there are three projects that have been completed namely:

Parys sewer treament works to the approved MIG value of R 85m. Expenditure to date R 24m – amount spent in the 13/14 FY is R 7,946,655.59. The scope included the construction of a perimeter fence, construction of an outlet channel, refurbishment of all pump stations at the plant, installation of high-mast lighting, refurbishment of drying beds, construction of bio-filter arms and construction of a Motor Control Centre (MCC) building.

Heilbron sewer Treament works to the approved MIG value of R 56m. Expenditure to date R 37m – amount spent in the 13/14 FY is R 7,973,520.58. The works included construction of a new bio-rector, construction of a Motor Control Center (MCC) building with the electrical and mechanical components, refurbishment of the secondary settling tank, the refurbishment of the inlet pump station for the raw sewerage and installation of a Return Activated Sludge (RAS).

Tumahole Bucket Eradication(Winnie and Mandela) R 17,402,998.53 (780 Stands). The project entails construction of toilet structures, installation of sewer pipes and connecting water house connections to the mainline. Amount spent in the year under review is R 17,402,998.53.

The projects that are still under way are:

Vredefort: Refurbishment of Wastewater Treatment Plant and pump stations

The project intends to cover the refurbishment of all three pump stations, the cleaning of the oxidation ponds, construction of the septic tank discharge points, repair of aerators tank, installation of a new blower pump, installation of high-mast lights, the installation of a gas chlorine disinfection system, installation of in- and out-flow meters and rewiring of electric panels.

Vredefort: Bucket eradiation

The project entails removal of 1,625 buckets and replacing them with water borne toilets. Toilets structures will also be built. A maze of a new sewer network will be constructed with house connections. Project is expected to be completed in September 2014.

Sanitation Service Delivery Levels				
				*Households
Description	Year -3	Year -2	Year -1	Year 0
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
Sanitation/sewerage: **(above minimum level)**				
Flush toilet (connected to sewerage)	27796	27796	27796	27796
Flush toilet (with septic tank)	3157	3157	3157	3157
Chemical toilet	0	0	0	0
Pit toilet (ventilated)	1610	1610	1610	1610
Other toilet provisions (above min.service level)	0	0	0	0
Minimum Service Level and Above sub-total	45	45	45	45
Minimum Service Level and Above Percentage	95.1%	95.1%	95.1%	95.1%
Sanitation/sewerage: **(below minimum level)**				
Bucket toilet	1610	1610	1610	1610
Other toilet provisions (below min service level)	0	0	0	0
No toilet provisions	0	0	0	0
Below Minimum Service Level sub-total	0	0	0	0
Below Minimum Service Level Percentage	0%	0%	0%	0%
Total households	**1610**	**1610**	**1610**	**1610**
Total number of households including informal settlements				

Households - Sanitation Service Delivery Levels below the minimum						
						Households
Description	Year -3	Year -2	Year -1	2013/2014		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	0	0	0	0	32 563	32 563
Households below minimum service level	0	0	0	0	1610	1610
Proportion of households below minimum service level	0%	0%	0%	0%	4.9%	4.9%
Informal Settlements						
Total households	0	0	0	0	1 620	1 620
Households below minimum service level	0	0	0	0	1 620	1 620
Proportion of households below minimum service level	0%	0%	0%	0%	100%	100%

Chapter 3

Waste Water (Sanitation) Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**Year -1**		**Year 0**			**Year 1**	**Year 3**	
Service Indicators		**Target**	**Actual**	**Target**		**Actual**	**Target**		
		***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective xxx									
To eradicate all unacceptable sanitation systems and ensure that all households are provided with an acceptable sanitation system	To ensure the effective handing and transportation capacity of all bulk sewer system and				Parys : Upgrading of sewer treatment works: (Mechanical and Electrical Works)	Fencing and Civil work have been completed.Mechanical and Electrical component is 100 % complete and awaiting retention	Achieved		

	its functional operation at all times				Refurbishment of Heilbron Waste Water Treatment Works (Mechanical and Electrical Work).	The project is 100% complete and awaiting retention	Achieved		
					Bucket eradication for 1528 erven Heilbron.		Achieved		
					Bucket eradication for 760 erven in Tumahole.	The project is 100% complete and awaiting retention	Achieved		
					Bucket eradication for 128 households in Tumahole (EPWP).	The project is 100% complete and awaiting retention	Achieved		
					Vredefort: Refurbishment of the Waste Water Treatment Plant	The project is at 80%	Partially Achieved		

EMPLOYEES: SANITATION SERVICES					
Job Level	**Year -1**	**Year 0**			
	Employees	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
0 - 3	2	4	2	2	50
4 - 6	0	5	0	5	100
7 - 9	1	7	1	6	86
10 - 12	28	34	28	6	18
13 - 15	0	20	0	20	100
16 - 18	9	20	9	11	55
19 - 20	0	0	0	0	0
Total	40	90	40	50	56
T 3.2.7					

Capital Expenditure Year 0: Sanitation Services					R' 000
Capital Projects	Year 2013/2014				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 29 033 869.41	R 11 289 305.29	R 40 323 174.70	39%	
Heilbron Upgrading of WWTW	R 6 630 870.88	R 1 342 649.70	R 7 973 520.58	20 %	R 32 113 393.93
Parys Upgrading of WWTW	00.00	R 7 946 655.59	R 7 946 655.59	100%	R 37 528 455.85
Parys Bucket Eradication 780	R 17 402 998.53	R 0.00	R17 402 998.53	0%	R 17 402 998.
Vredefort: Refurbishment of the Waste Water Treatment Plant	R 5 000 000.00	R 2 000 000.00	7 000 000.00	40%	R 7 000 000.00

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL: The varience for the total original budget is 39% more than the original budget overall.

The municipality has eradicated the bucket system by introducing 128 waterborne sanitation system in Parys in this financial year and upgraded the Parys Wastewater Treatment Plant. The construction of a new Wastewater tratment plant in Heilbron and also upgrading the existing plant are on-going. During the past year, the system was regularly maintained.

Project Number	Project Description	Status	Total Project Cost	Budget	Total expenditure to date (current)
MIG/FS0623/S/08/10	**Heilbron:** Upgrading of sewer treatment works (ID-158007)	Complete - retention	56 430 000.00	56 430 000.00	R32 113 393.93
MIG/FS0624/S/08/10	**Parys:** Upgrading of sewer treatment works	Complete - retention	85 500 000.00	85 500 000.00	R37 528 455.85
RW01019/13	**Vredefort: Refurbishment of the Waste Water Treatment Plant**	Construction	5 000 000.00	7 000 000.00	R 7 000 000.00
Total			**R141 930 000.00**	**R141 930 000.00**	**R69 641 849.78**

CURRENT AND FUTURE WASTE WATER DEMANDS

Town	Future waste water demand Ml/D	Current waste water demand Mld	Waste Water Capacity shortfall Mld
Parys	15	7.3	7.7
Vredefort	10	5.5	4.5
Koppies	10	5	5
Edenville	5	2	3
Heilbron	15	6	9

Chapter 3

3.3. ELECTRICITY

INTRODUCTION TO ELECTRICITY

The municipality is the provider of electricity within its five towns, the electricity is baught from Eskom.

Electricity Vendors

The Municipality has only one private vendor BIT in Parys who operates 5 vending stations 2 in town and three in Tumahole, the one in Heilbron has since closed shop.

Bulk Supply: The municipality received funding from Department of energy to upgrade electricity supply in Heilbron Phiritona to the value of R12 300 000.00

Project entails :The upgrading of the Bulk Electricity Supply to Phiritona which includes the construction of a 66kV overhead line from the Eskom Substation to the main substation in Phiritona, including the supply of a 10MVA transformer and two substations.

Electrification

No electrification was done in this financial year

Electricity Service Delivery Levels					Households
Description	Ref	2010-2011	2011-2012	2012-2013	2013-2014
		Actual No.	Actual No.	Actual No.	Actual No.
Energy: **(above minimum level)**					
Electricity (at least min.service level)		–	4	2	2
Electricity - prepaid (min.service level)		33	31	33	33
Minimum Service Level and Above sub-total		33	35	35	35
Minimum Service Level and Above Percentage		98.6%	98.7%	98.7%	98.7%
Energy: **(below minimum level)**					
Electricity (< min.service level)		–	–	–	–
Electricity - prepaid (< min. service level)		0	0	0	0
Other energy sources		–	–	–	–
Below Minimum Service Level sub-total		0	0	0	0
Below Minimum Service Level Percentage		1.4%	1.3%	1.3%	1.3%
Total number of households	#REF!	34	36	36	36

Households - Electricity Service Delivery Levels below the minimum						Households
Description	2009-2010	2010-2011	2011-2012	2012-2013		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	–	–	35	35	35	35
Households below minimum service level	–	–	–	–	–	–
Proportion of households below minimum service level			0%	0%	0%	0%
Informal Settlements						
Total households	2	2	2	2	2	2
Households ts below minimum service level	–	0	0	0	0	0
Proportion of households ts below minimum service level	0%	28%	28%	28%	28%	28%

Chapter 3

Electricity Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**Year -1**		**Year 0**			**Year 1**	**Year 3**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators		***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective xxx									
To ensure sustainable provision of bulk electricity through an effective internal network that will be able to supply quality electricity according to consumer demand.	Upgrade bulk electricity networks and feeder lines in identified areas				Upgrade bulk electricity supply at Heilbron	Contractor appointed and on site			

	Sustainable electricity supply to all customers in all towns				Electricity Supply maintained .Replaced broken Transformers				
									T 3.3.5

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	2	0	2		
4 - 6	0	0	0		
7 - 9	3	4	2		
10 - 12	8	0	8		
13 - 15	7	10	7		
16 - 18	0	0	0		
19 - 20	0	0	0		
Total	48		48		
					T 3.3.6

Chapter 3

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

We are currently experiencing problems with non-functional meters in all five towns. In the next financial year, council will be procuring new metres starting at the Koppies unit.

We have been experiencing a serious challenge with cable theft in the entire municipality. The network was maintained from the Council's budgeted maintanence amount.

200 solar geysers were installed in Heilbron

Below is a list of electricity projects that are completed.

Project Number	Project Description	Status	Fund	Total Project Cost	DOE Budget	Total expenditure to date (current)
NGW/06/2012	**Heilbron: Electrification project**	Construction	**DOE**	**R16 972 686 .52**	**R12 000 000.00**	**R10 645 765.20**

Chapter 3

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

One of the functions of the municipalities is waste removal. We perform the following functions under refuse:

Landfill site management,

Refuse collection

Facilitation of recycling.
T3.4.

SERVICE STATISTICS

Tariffs

Business: R92.79

Residential: R64.26

Landfill Sites

None permitted:

Parys & Koppies, Edenville, Koppies& Vredefort.

Refuse Removal:

Business: Parys; daily

Other towns; three times a week.

Residential: Once per week per household.

Challenges:

Old and inadequate refuse removal equipment.

None permitted sites,

Illegal dumping

Employee wellness.

Chapter 3

Waste Management Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**Year -1**		**Year 0**			**Year 1**	**Year 3**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators **(i)**	**(ii)**	***Previous Year** **(iii)**	**(iv)**	***Previous Year** **(v)**	***Current Year** **(vi)**	**(vii)**	***Current Year** **(viii)**	***Current Year** **(ix)**	***Following Year** **(x)**
Service Objective									
To provide effective and regular refuse removal service to all households in urban areas.	Proportionate reduction in average weekly collection failures year on year (average number of collection failures each week)				**Weekly** Refuse collection: Household X 1, Business X 2	Failure to stick to the collection schedule	Partially achieved		Weekly Refuse collection: Household X 1, Business X 2
To maintain all landfill and waste dumping sites according to legal and health requirements	The amount of spare capacity available in terms of the number of years capacity available at the current rate of landfill usage				To have all municipal landfill site licensed	Extended a request to MISA to assist with registration	Partially achieved		Four of the five Landfill sites to be registered

Chapter 3

EMPLOYEES: WASTE MANAGEMENT					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0		0	0	
4 - 6	1		1	0	
7 - 9	0		0	0	
10 - 12	15		15	0	
13 - 15	4		4	0	
16 - 18	60		60	0	
19 - 20	0		0	0	
Total	80		80	0	
					T3.4.6

Chapter 3

3.3 HOUSING

INTRODUCTION TO HOUSING

Housing function is mainly the responsibility of the Human Settlement Department and not that of NLM, Ngwathe Local Municipality provides the town planning services to the communities; the main function of this department is to secure land; develop safe and healthy environment; to establish sustainable settlement areas; eradicate informal settlements; to ensure tenure of land; to ensure access to funding; to develop internal services and provide housing.

The only real progress is with Parys /Schonkenville two room houses complete

Ngwathe was allocated a total of 2300 new housing subsidies for the 2010/11 and 2011/12 financial years plus completion of 199 houses that were left incomplete or not built at all in the previous construction years throughout the Municipality.

The said information will be given in a tabular form for ease of reference and thereafter challenges and proposed or implemented interventions per project will be discussed. Number of applications submitted for evaluation per town

- Number of subsidies allocated per contractor per town
- Number of approvals to date and
- Construction progress per milestone

KOPPIES 350

KOPPIES 350 HOUSE SUBSIDIES

Project	Allocation	Approved	Foundations cast	Wall plate claim	Complete Houses claim
350 Tuthela Bogolo	350	178	0	22	21
Total	350	138	0	22	21

HEILBRON 700 RDP 96 PHP INCOMPLETE HOUSE SUBSIDIES

Project	Allocation		Approved		Foundations Claim		Wall plates claims		Complete	
250 Mgiftana Trading Enterprise	250 RDP	27 PHP	250	27	250	27	250	27	250	27

150 Beshaka Trading	**150 RDP**	**27 PHP**	**150**	**27**	**150**	**0**	**142**	**15**	**96**	**15**
300 Chileshe Trading Cc	**300 RDP**	**27 PHP**	**300**	**27**	**300**	**27**	**300**	**18**	**289**	**14**
TOTAL	**700**	**81**	**395**	**81**	**700**	**54**	**690**	**57**	**434**	**68**

Edenville 400

Contractor	Allocations	Approvals	Shortfall	Foundations Completed	Wall Plates Completed	Houses completed and handed over
Khumbula	400	144	256	144	144	98
Totals	**400**	**144**	**256**	**144**	**144**	**98**

Contractor	Allocations	Approvals	Shortfall	Foundations Completed	Wall Plates Completed	Houses completed and handed over
Khumbula	50	50	50	50	50	50
Totals	**50**	**50**	**50**	**50**	**50**	**50**

Vredefort 150

Contractor	Allocations	Approvals	Shortfall	Foundations Completed	Wall Plates Completed	Houses completed and handed over
Dilemopumo	150	150				150
Totals	**150**	**150**				**150**

Parys two room houses

1. The two houses were complete and occupied by the respective owners

Parys 100 Urban renewal project

PARYS 700 RDP & INCOMPLETE PHP HOUSE SUBSIDIES

Project	Allocation	approved	Foundations claim	Wall plate claim	Complete houses claim
200 Hlengiwe Business Solutions	**200 RDP**	**205**	**78**	**78**	**78**
500 Friedshelf 863	**500 RDP**	**500**	**500**	**500**	**500**
Incomplete PHP houses (Tirisano)	**53**	**53**	**0**	**0**	**0**
Total	**753**	**758**	**578**	**578**	**578**

Employees: Housing Services					
Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	0	1	0	1	100
4 - 6	1		1	0	
7 - 9	0		0	0	
10 - 12	1		1	0	
13 - 15	0		0	0	
16 - 18	0		0	0	
19 - 20	0		0	0	
Total	**2**		**2**	**0**	
					T 3.5.4

Town planning report

1. The progress with the 5300 new residential stand in Ngwathe towns is still on schedule:
2. All new residential areas plans are complete
3. All impact studies complete and submitted.
4. New residential areas are registered with the department of Economic Affairs & Tourism
5. 2063 residential stands in Kwakwatsi are the most urgent stands and will be completed first
6. Funding obtain to revise Ngwathe municipality's SDF from Fezile Dabi District Municipality, meeting between the service provider and Distinct Municipality was on 24/07/2013

COMMENTS ON HOUSING SERVICES

The shortage of stands does contribute to the slow housing delivery process. The towns mainly affected are Koppies /Kwakwatsi and Edenville /Ngwathe.

The above problems will be addressed by the Town establishment in the five Ngwathe Municipal Towns, this process is well underway and will complete early in 2015.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipality has an indigent policy as approved by the Council. The policy ensures that its households who cannot afford to pay for municipal services do benefit as well from municipal services. The poor communities will be able to use money for other basic needs like food, etc. The determining threshold for 2013/2014 was the total household income not exceeding R2 040.00 per month. However the municipality does not provide alternative energy.

FBS OFFERED

	2011/12	2012/13	2013/14
Free water:			
- all residents including indigents	6kℓ	6kℓ	6kℓ
Free Electricity:			
- all residents	50kWh	50kWh	50kWh
-Non Indigents	10kWh	10kWh	10kWh
Sewerage			
Additional sewerage - indigents			
Free Refuse removal - indigents			
Indigent subsidy (property rates)			
Indigents threshold per household per month	R per month	R 1900 per month	R 2040 per month

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,900 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2011-2012	37 339	16 519	13 885	90%	13 885	90%	15 370	100%	13 885	90%
2012-2013	37 339	16 519	16 519	100%	15 942	97%	16 519	100%	15 942	97%
2013-2014	39990	5253	5253	100%	5253	100%	5253	100%	5253	100%

COMMENT ON THE FREE BASIC SERVICES AND INDIGENT SUPPORT

The total number of indigents provided was about 5 253 with a backlogs of about 577 household

Electricity: The total number of indigents provided was about 5253, however there is a small number of household who continue to illegally bridge meters citing unemployment as the major reason

Water: The total number of indigents provided was about 5253. The municipality was using a broad-based approach on all households, however there were still broken meters that need replacement

Sanitation: The total number of indigents provided was about 5 253 with a backlog of about 577 households.

Chapter 3

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (storm water drainage).

3.7 ROADS

INTRODUCTION TO ROADS

The municipality has a backlog of 200 kilometers of roads that require upgrading, however the municipality has only managed to upgrade 2Kms in the 2013/2014 FY. This project was funded by the Provincial Department of Public Works and was implemented in Mokwallo (1km) and Tumahole(1km) townships.

Below is a list of projects which are to be executed and completed in the 2014/2015 finacial year:

Koppies: Paving of internal roads 1 km - The project includes construction of a 1km access road with interlocking paving blocks, concrete kerbs and provision of storm water via open channels. Edenville: Paving of internal roads 1 km The project includes construction of a 1km access road with interlocking paving blocks, concrete kerbs and provision of storm water via open channels.

Capital Expenditure Year 0: Road Services					**R' 000**
Capital Projects	**Year 2013/2014**				
	Budget	**Adjustment Budget**	**Actual Expenditure**	**Variance from original budget**	**Total Project Value**
Total All	R 13 117902.70	R 0	R 0	0%	R 13 117902.700
Paving of internal roads in Koppies 1km	R6 558 951.35	R 0	R0	0%	R6 558 951.35
Paving of internal roads in Edenville 1km	R6 558 951.35	R 0	R0	0%	R6 558 951.35
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

Road Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**Year -1**		**Year 0**			**Year 1**	**Year 3**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators		***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective									
To provide continuous maintenance and upgrading of all tar, gravel and un-surfaced roads and storm water networks to keep them in a trafficable condition and to accommodate heavy vehicle transport where required in all urban and rural areas.	Rehabilitation of the tarred roads in Parys								
	Upgrade of 1 km gravel road to pave in Koppies				Paving of internal roads in Koppies 1km.	Consultant and Contractor appointed	Partially achieved		
	Upgrade of 1 km gravel road to pave in Edenville				Paving of internal roads in Edenville 1 km	Consultant and Contractor appointed	Partially achieved		

Employees: Road Services					
Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	0		0	0	
4 - 6	1		1	0	
7 - 9	1		1	0	
10 - 12	15		15	0	
13 - 15	2		2	0	
16 - 18	17		17	0	
19 - 20	0		0	0	
Total	36		36	0	
T3.7.7					

Project Number	Project Description	Status	Total Project Cost	MIG Budget	Total expenditure to date (current)	Expenditure Balance
MIG/FS0714/W/09/09	Paving of internal roads in Koppies 1km.	Consultant and Contractor appointed	R6 558 951.35	R6 558 951.35	R 0	R0
MIG/FS0954/R,ST/13/14	Paving of internal roads in Edenville 1 km	Consultant and Contractor appointed	R6 558 951.35	R6 558 951.35	R 0	R0

COMMENT ON THE PERFORMANCE OF ROADS AND STORMWATER DRAINAGE OVERALL:

We have done gravel road maintenance in all towns during the financial year. The challenge was that the municipally had to hire road construction plant which was used in the maintenance because the municipality does not have the necessary plant.

We also have a significant challenge with potholes, this problem was not addressed as there was no funding to do this.

T3.7.10

Chapter 3

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

Planning and economic units are housed within Community Services Directorate, The units is tasked with among other areas of responsibility to facilitate the provision of an acceptable safe and equity housing, to ensure that land accessibility future development benefits both residents and the municipality in terms of the SPLUMA,Economic development section on the other hand facilitates availability of economic opportunities to all the residents.

T 3.10

3.10 PLANNING

INTRODUCTION TO PLANNING

The section planning was mainly focussed on the following for the current financial year

- The eradication of informal settlement in all 5 Towns by means to speed up the proclamation 5300 stands as per the allocation.

-Complete and submit all applications for Parys, Edenville, Koppies, Heilbron and Mokwallo.

T 3.10.1

Applications for Land Use Development						
Detail	**Formalisation of Townships**		**Rezoning**		**Built Enviroment**	
	Year -1	**Year 0**	**Year -1**	**Year 0**	**Year -1**	**Year 0**
Planning application received	5300 erven			-6 private applications. -150 h/a of farmland to residential in Koppies. -100h/a of farmland to residential in Heilbron. -23 h/a of farmland to residential in Edenville. -18 h/a of farmland to residential in Vredefort -160 h/a of farmland to in Parys.		83 building plans for new buildings and alterations in all 5 towns
Determination made in year of receipt	Submitted to the Provincial townsboard			Approved by townsboard		
Determination made in following year		Obtained approval of the 5300				
Applications withdrawn	0	o				
Applications outstanding at year end						

T 3.10.2

Chapter 3

1.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVLOPMENT

This annual report will provide information on the status quo of the LED Strategy. This strategy which was developed in 2013 has been finally reviewed and the final draft document is available for public participation and it will be tabled before the Council for approval after this process of public participation. The report will further reflect on job creation project, measures taken to improve performances and challenges faced by the unit. The major challenges have always been that of budget because there is small allocation for the unit, however there are some achievements which were attained in to give support to our communities and SMME's which will also be part of this report .

T 3.11.1

COMMENT ON LOCAL JOB OPPORTUNITIES:

The region has potential for tourism marketing, market places and farming. The Vredefort Dome which has been declared as a World Heritage site will attract tourists once the project has been completed and well marketed. We also have three resorts which can accommodate visitors and tourists during festive season. Koppies Dam , Mimosa Garden (Parys) and Unifees Dam (Heilbron) are strategically placed for this purpose and can also increase our revenue collection immensely. They only need to be renovated and marketed. Our beautiful restaurants and coffee shops in Bree street (Parys) are admired by visitors who pass by. This attraction also boosts the market of street vendors especially during the weekends.

There are projects which can sustain and create jobs in the Agricultural sector. Sizabantu cooperative which operates on the farm called Welderhonderkop has recently employed six people who are receiving skills from an experienced farmer and good skills from Fezile Dabi District Municipality. There is also Hydroponic which operates from one of the farms in Parys. This project has presently employed six people and has the potential to grow once it receives assistance from the Municipality and Provincial Government. Green house project in Koppies received funding from Rand Water Foundation. The project will employ twenty people in its inception. It is anticipated that Poultry project will be started in Heilbron soon. This project will also be assisted by Rand Water Foundation. The Bakery in Edenville will also assist in poverty alleviation and job creation De Beers has shown interest for rendering assistance towards this bakery project. Vredefort will benefit from the juice factory. This project collapsed due to lack of commitment by previous beneficiaries. It will be given to newly identified beneficiaries as Vredefort.

Local Economic Development Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**Year -1**		**Year 0**			**Year 1**	**Year 3**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators **(i)**	**(ii)**	***Previous Year** **(iii)**	**(iv)**	***Previous Year** **(v)**	***Current Year** **(vi)**	**(vii)**	***Current Year** **(viii)**	***Current Year** **(ix)**	***Following Year** **(x)**
Service Objective									
To maximise the taken potential of the area to its fullest.	Liaise with relevant structures to participate in the establishment of tourism forums and centers at libraries in all towns.			1	1	1			
To create an enabling environment that stimulates economic growth.	To create administrative capacity to deal with financing and the support of emerging entrepreneurs.			1	1	1			
To assist emerging potential farmers	To render assistance to potential farmers			1	1	1			
To empower SMME:s	Provide training to assist SMME's			1	1	1			

Chapter 3

Employees: Local Economic Development Services				
Job Level	2013/14			
	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	1	1	1	100%
000-04-1429	8	3	5	65%
000-04-1371	1	0	1	100%
000-04-1372	0	0	0	100%
Total	10	4	6	491%
3.11.8				*T*

Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Lekwa natural spring water	2	None	4	
Bibi cash and carry tuckshops	12	None	12	Self - employed
Sokude chemicals	4	None	4	
				T 3.11.5

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
Year -2		
Year -1	Storm Water + Cemetery Cleaning + CWP:	2370
Year 0	Storm Water + Cemetery Cleaning + CWP	2370
** - Extended Public Works Programme*		*T 3.11.6*

Chapter 3

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; and crematoria; child care; aged care; social programmes, theatres.

LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (TH

INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

Of the above mentioned services Ngwathe Local municipality is only responsible for the libraries, archives and community facilities such as halls and community facilities, the library in Edenville is the only one that belongs and managed by the Province (Department of Sport Arts and Culture)

T3.12.1

Library	Posts	Filled in posts	Vacant Posts
Parys	10	10	0
Thutong	5	4	1
Schonkenville	4	4	0
Heilbron	4	1	3
Phiritona	4	1	3
Sandersville	3	2	1
Vredefort	4	2	2
Vredeshoop	3	3	0
Koppies	4	1	3
Kwakwatsi	4	2	2
	45	**30**	**15**

T 3.12.4

PROGRESS REPORT OF LIBRARY SERVICES

The main objective of the library services is to promote the culture of reading. The library is also there to promote the use of its services which include free internet services.
The province is doing the wonderful work by providing the reading material to all the libraries and maintaining the computers and photo copy machines.

Municipality Buildings i.e Thutong, Sandersville and Vredeshoop Libraries need to be upgraded. These buildings have some leaking areas which can affect books in the library. The conditions are also very bad when it is cold and when it hot because there are no air conditioners. The process has been followed for the upgrading of these buildings.

The furniture at Thutong Library is worn out. The broken chairs can be harmful to users. Processes has

be followed to replace the furniture but the budget is still a problem.

Library	Membership	Circulation	In-House	Visits	Enquiries	Revenue
Parys	6 471	45 551	3 153	11 632	5 025	R 353.60
Thutong	932	-	5 409	5 305	466	R2 029.00
Schonkenville	-	-	-	-	-	-
Heilbron	-	-	-	-	-	-
Phiritona	439	420	2 083	1 244	179	R400-00
Sandersville	317	288	1 022	1 112	88	
Koppies	783	2 837	267	1 025	157	R 392.00
Kwakwatsi	423	320	1 666	1 439	350	-
Vredefort	314	2 526	822	986	524	R1 198.00
Vredeshoop	150	308	1 489	1 502	366	R 408.00

N.B Kindly take note that Schonkenville and Heilbron have not been sending their reports as reported on a number of occasions.

N.B The following personnel are on the payroll of the Province: Parys – 01 Library Assistant, Sandersville – 01 Library Assistant and

Vredeshoop – 01 Library Assistant and Koppies – 01 Assistant Librarian.

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

Three municipality Libraries need budget for upgrading.

There is a need for vehicles because some of the libraries' activities and programmes need transport.

T 3.12.7

3.13 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES & CREMATORIUMS

NLM performs the establishment, conduct and control of facilities for the purpose of disposing of human and animal remains, this includes , funeral parlours and crematoria. The municipality committed itself to ensuring that all the towns have at least two decent , one being in the town area whilst the other is in the township area. Tariffs for same would also differ with the town area begin more than those of the townships. We further endeavor to provide ablution facilities within these areas. In terms of services we render not only burials but cremations, top on top, exhumations, reopening etc. T 3.13.1

AREA	Cemetery sites in use
Parys	2
Tumahole	1
Schonkenville	1
Edenville	1
Ngwathe	1
Vredefort	1
Mokwallo	1
Vredeshoop	1
Heilbron	1(caters for top on top and reserved sites only
Phiritona	3
Sandersville	1
Koppies	1
Kwakwatsi	1
Total	17

SERVICE STATISTICS FOR CEMETORIES & CREMATORIUMS						
SERVICE & AREA	**PARYS**	**TUMAHOLE**	**HEILBRON**	**KOPPIES**	**VREDEFORT**	**EDENVILLE**
FULL	51	306		259	134	120
HEAD	105	0		0		

REOPENING	56	0		2		
RESERVE	29	17		7		
BABIES	2	40		33		
EXHUMATION	1	0		4	0	

Employees: Cemetories and Cremotoriums					
Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	0		0	0	
4 - 6	0		0	0	
7 - 9	0		0	0	
10 - 12	0		0	0	
13 - 15	0		0	0	
16 - 18	11		11	0	
19 - 20	0		0	0	
Total	11		11	0	

T 3.13.4

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OVERALL:

Most of the municipal are full, land availability appears to be a challenge for grave sites development, one of the major challenges is burglary to the ablution blocks at the hands of thugs, roaming cattle. During the period under review.

T 3.13.7

Chapter 3

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The municipality is not directly responsible for the above stated services, we only provide a support where needed *T 3.14.1*

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection.

INTRODUCTION TO ENVIRONMENTAL PROTECTION

NLM is reliant on Fezile Dabi District Municipality with regard to most of the environmental issues.

T 3.

COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections.

INTRODUCTION TO HEALTH

Health is mainly the function of the Provincial Health Department and as the municipality ours is to play a supportive role in terms of providing land, and basic services

T 3.

3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

The said functions mentioned above, though they happen in our local space they are the competency of the Fezile Dabi District.

T 3.19.1

Chapter 3

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY & SAFETY

The department Traffic is tasked with the execution of Traffic Law Enforcement ; including By – laws and Speed-trapping duties, and for the efficient collection on the Warrants of Arrest and Abnormal Load escorts

T 3.20

1.20 POLICE/TRAFFIC

INTRODUCTION TO TRAFFIC

The Traffic department comprises Nine (09) Traffic Officers in total ; inclusive of Two (02) Superintendents , whom have to maintain Law Enforcement duties in the Five (05) towns that constitute Ngwathe Municipality – namely :- Parys ; Heilbron ; Koppies ; Vredefort and Edenville – and one (01) administrator.

T 3.20.1

Traffic Service Data					
	Details	**Year -1**	**Year 0**		**Year 1**
		Actual No.	**Estimate No.**	**Actual No.**	**Estimate No.**
1	Number of road traffic accidents during Jan to Mar 2014	156			
2	Number of Infringements attended to for Parys	2 708 cases	R 1, 788, 560 .00		
3	Number of police officers in the field on an average day in Parys	04			
4	Number of police officers on duty on an average day in Parys	05			
5	Abnormal Loads escorted through Parys	55	R 60 , 513 . 40		
6	Outstanding Abnormal Load Accounts collected	11	R 40 , 826 . 20		
7	Warrants of Arrest collected by Parys Officers	88	R 46 , 300 . 00		
8	Payments received for the Parys Court		R 223 , 010 . 00		
9	Point duties executed	70			
10	Special duties executed	43			
11	Funerals escorted	15			
12	**Number of Infringements for Heilbron Officers**	**49**	**R 35 , 250 . 00**		
13	Burning Motorvehicles	07			
14	Cattle on Road	07			
15	Roadblock duties	06			

16	Veld fires	03			
17	Building fires	03			
18	Payments received by the Heilbron Court		R 3, 030.00		

Concerning T 3.20.2

There are Two (02) Superintendents on duty on a daily basis that are office bound.
There is One (01) Administrator on duty on a daily basis in the Parys office.
Since early January 2013 – one Traffic Officer was " Seconded " to the office of the Mayor as the driver. This is on an average day except when on Sick leave or General leave.

T 3.20.2.1

CASES ISSUED AND INCOME PER OFFICER :-

Mc DERMOTT	**645 cases**	**@**	**R 486 , 460 . 00**
DLOMO	**378 cases**	**@**	**R 165 , 762 .00**
ROBERTS	**434 cases**	**@**	**R 297 , 000 . 00**
PHIRI	**538 cases**	**@**	**R 371 , 900 . 00**
GIBSON	**533 cases**	**@**	**R 294 , 350 . 00**
POONYANE	**529 cases**	**@**	**R 318 , 750 . 00**
MAFATA	**445 cases**	**@**	**R 216 , 150 . 00**
POTSANYANA	**452 cases**	**@**	**R 165 , 762 . 00**
LIKHETHE	**29 cases @**	**R 20 , 100 . 00**	

PARYS OFFICERS :-

2 , 708 cases issued for R 1 , 788 , 560 . 00

HEILBRON OFFICERS :-

49 cases issued for R 35 , 250 . 00

KILOMETERS TRAVELLED BY THE PARYS OFFICERS AND PETROL USED :-

98,565 Km travelled (Traffic vehicles)
10,531.95 Litres of petrol

Average travelled is 09,36 Km/Litre

KILOMETRES TRAVELLED BY THE MAINTENANCE VEHICLE AND PETROL USED :-

3,224 Km travelled
835,16 Litres of petrol

Average travelled is 03,86 Km/Litre

GRAND TOTAL OF CASES ISSUED FOR PARYS AND HEILBRON OFFICERS :-

2 , 757 Cases at an amount of R 1 , 823 , 810 . 00

This amounts to an average of R 661 . 52 per case.

SERVICE STATISTICS FOR THE PERIOD UNDER REPORTING

The number of infringements for ALL Law Enforcement was one thousand two hundred and seventy five (1275) notices at an amount of six hundred and twenty three thousand five hundred and twelve rand (R 623512, 00).

Hundred and one (101) notices were paid for the amount of seven thousand and five hundred (R7500).

Hundred and ninety two (192) traffic accidents were attended to by the Traffic department.

T.3.20.2.1

Concerning T 3.20.2

There are Two (02) Superintendents on duty on a daily basis that are office bound.

There is One (01) Administrator on duty on a daily basis in the Parys office.

For the year from 01 July 2013 till June 2014 – there were Seven (06) Traffic Officers on duty on a daily basis.

This is on an average day except when on Sick leave or General leave.

Road sings and road markings and are in a very bad condition due to non-maintenance in Heilbron, Koppies and Edenville.

Need a team who will do road signs and road markings

T 3.20.2.2

EMPLOYEES: TRAFFIC					
Job Level	**Year -1**	**Year 0**			
Traffic	**Employees**	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
Administrators	**No.**	**No.**	**No.**	**No.**	**%**
Supt. Traffic	2	2	2	0	0
Other Officers	7	7	7	0	0
0 - 3	0	0			
4 - 6	2	2	2	0	
7 - 9	7	7	7		
10 - 12	0	0			
13 - 15	0	0			
16 - 18	0	0			
19 - 20	0	0			
Total	9	9	9		
					T 3.20.4

Town	Offices	Services
Parys	1	To manage and implement all legislations of The Road Traffic Act
Heilbron	1	
Koppies	1	

COMMENT ON THE PERFORMANCE OF POLICE OVERALL:

This department has a very serious shortage of Personnel and vehicles for the effective management of Law and Order throughout the five towns of Ngwathe.

Failure to address and rectify this situation will always contribute to the non-effective functioning of the Traffic department as a whole.

The failure to adequately collect monies owing to the Municipality must be taken and treated in a serious light as it is a fruitless exercise to issue tickets / notices; and nothing happens on them at the end of the day.

T 3.20.7

1.21 FIRE

INTRODUCTION TO FIRE SERVICES

NLM provides Fire & Rescue for its five towns, In terms of the Fire Act we are seriously behind as an institution. Of the five towns only Parys has a 24 hrs functional station, Heilbron we operate a satellite station that is partially functional (from 7h45 - 16h30) Other towns are without this function.

T 3.21.1

	Details	Year -1	Year 0	
		Actual No.	Estimate No.	Actual No.
1	Total fires attended in the year			273
2	Total of other incidents attended in the year			311
3	Average turnout time - urban areas			7min
4	Average turnout time - rural areas			30 minutes
5	Fire fighters in post at year end			16 minutes
6	Total fire appliances at year end			00
7	Average number of appliance off the road during the year			00

Concerning T3.21.2

The Ngwathe local municipality fire department is made up of one chief fire officer and sixteen fire officers. The department is severely understaffed, as per the approved municipal organogram sixty percent (26 out of 43 positions) of the approved positions within the department are vacant. During the 2013/14 financial year the fire department responded to a total of 584 incidents. Thirty four (34 percent or 273 incidents) of the incidents attended to by the fire department were fire related whilst sixty six percent (66 percent or 569 incidents) was in relation to other incidents such as rescues, accidents and inspections. T 3.21.2.1

EMPLOYEES: FIRE SERVICES					
Job Level	**Year -1**	**Year 0**			
Fire Fighters	**Employees**	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
Administrators	**No.**	**No.**	**No.**	**No.**	**%**
Chief Fire Officer & Deputy					
Other Fire Officers					
0 - 3	1	1	1	0	100%
4 - 6	0		0	0	
7 - 9	16		16	0	
10 - 12	1		1	0	
13 - 15	0		0	0	
16 - 18	2		2	0	
19 - 20	0		0	0	
Total	20		20	0	
					T 3.21.4

3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

In terms of National Disaster Management Act of 2002 Disaster is explained as " Any situation that is beyond the municipal capacity in terms of handling" In order to give effect to the above it is expected of every municipality to develop its own DMP and NLM has subsequently complied though the plan is awaiting Council adoption & approval.

We have one Disaster Coordinator who is also Chief Fire & Rescue

T 3.22.1

SERVICE STATISTICS FOR DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

T 3.22.2

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

One of the major challenges for the Disaster Management unit is human capital as well as the relevant equipment. Funding makes it increasingly difficult for the municipality to address these issues.

T 3.22.7

COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

3.23 SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

INTRODUCTION TO SPORT AND RECREATION

An active, creative and informed Ngwathe community

Strategic goals

- To ensure provision of sport and recreation facilities within communities
- To promote Culture of participation in sport and recreation at all level in the community
- To provide performance, sport development and training service to Ngwathe Community

T 3.23

Sport and Recreation Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2012/2013**		**2013/2014**			**2014/2015**	**2015/16**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators		***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective xxx									
To upgrade and maintain all the existing sports facilities quarterly (cleaning& general maintenance	Cleaning and General maintenance of 60 sports fields in the municipal area on a quarterly basis	Clean and maintain all 60 sports facilities at least once a quarter i.e carry out cleaning operations 60 times in the year	The department managed to implement 80 percent (40 cleaning operation were undertaken) of the targeted service level.	Clean and maintain all 60 sports facilities atleast once a quarter i.e carry out cleaning operations 60 times in the year	Clean and maintain all 60 sports facilities at least once a quarter i.e carry out cleaning operations 60 times in the year	The department managed to implement 80 percent (30 cleaning operation were undertaken) of the targeted service level.	Clean and maintain all 60 sports facilities atleast once a quarter i.e carry out cleaning operations 60 times in the year	Clean and maintain all 60 sports facilities atleast once a quarter i.e carry out cleaning operations 60 times in the year	Clean and maintain all 60 sports facilities atleast once a quarter i.e carry out cleaning operations 60 times in the year
2.To supply new recreational Facilities where inadequate		N/A	N/A	N/A	Provide five (5) new	Fenced the Vredefort Sports Facility,	Provide five (5) new	Provide five (5) new	Upgrade (3) existing facilities and build new one

Facilities exist					recreational facilities	Renovated the Skonkeville,Heilbron Sports facility	recreational facilities	recreational facilities	in Edenville
3. Promotion of arts and culture across the five towns in the municipal area						Hosted the Ngwathe Cultural Festival in Edenville and the Tumahole Month Cultural Festival in Tumahole	Hosted the Ngwathe Cultural Festival in Edenville and the Tumahole Month Cultural Festival in Tumahole	Hosted the Ngwathe Cultural Festival in Edenville and the Tumahole Month Cultural Festival in Tumahole	To host the Ngwathe gospel Festival
(a)Monitoring of Initiation Schools in five towns	Monitor approximately 120 initiation schools in the municipal area semi annually (June and December)	N/A	N/A	N/A	Monitor 120 initiation schools, twice a year.	The department could only monitor 78 initiation schools, twice a year. Some of the initiation schools did not operate either in June or December and others were not in operation at all.	Monitor 120 initiation schools, twice a year.	Monitor 120 initiation schools, twice a year.	Monitor 6 0 initiation schools, twice a year.

(b)Participation of Ngwathe groups in the following events: MacuFe/Tumahole Month/Heritage Celebrations	Facilitate the participation of Ngwathe groups in atleast four annual events	N/A	N/A	N/A	Facilitate the participati on of Ngwathe groups in atleast four annual events	75 percent of the targeted output was achieved (Ngwathe groups participated in three annual events)	Facilitate the participatio n of Ngwathe groups in atleast four annual events	Facilitate the participati on of Ngwathe groups in atleast four annual events	Facilitate the participation of Ngwathe groups in atleast four annual events
(4)To promote and Support mass participation in recreational Sporting activities/programmes and events at all community levels	Facilitate and assist in the staging of the below mentioned recreational activities on an annual basis.								
(a)O.R.Tambo Games(local,District &Provicial)		N/A	N/A	N/A	Stage the OR Tambo Games	100 percent implemented	Stage the OR Tambo Games	Stage the OR Tambo Games	Stage the OR Tambo Games

(b)Tour de Free State - Cycling		Stage Tour de Free state (Stages passing through ngwathe municipa l area) annually	100 percent implement ed	Stage Tour de Free state (Stages passing through ngwathe municipa l area) annually	Stage Tour de Free state (Stages passing through ngwathe municipal area) annually	100 percent implemented	Stage Tour de Free state (Stages passing through ngwathe municipal area) annually	Stage Tour de Free state (Stages passing through ngwathe municipal area) annually	Stage Tour de Free state (Stages passing through ngwathe municipal area) annually
(c)Phakisa powerboat									
									T 3.23.2

SERVICE STATISTICS FOR SPORT AND RECREATION

The following projects were

- Multipurpose Court in Vredefort
- Multipurpose Court in Heilbron
- Gym in Heilbron
- Swimming Pool in PARYS

T 3.23.1

Chapter 3

3.23.1 MIMOSA GARDEN RESORT

INTRODUCTION TO MIMOSA GARDEN RESORT

Mimosa garden is a resort that it is owned and run by the municipality it is situated on the banks of the Vaal River which makes it a tourist attraction in the town of Parys and it also has lot of capacity for revenue collection for the municipality. .

T 3.21.1

	Details	
1	Total number of chalets	41
2	Total number of stand	105
3	Total number of swimming pool	**2**
4	Super Tube	1
5	Ablution block facilities	2
6	Playing ground for the children	2
7	Parks	2

EMPLOYEES: SPORT AND RECREATION /MIMOSA GARDEN RESORT					
Job Level	**Year -1**	**Year 0**			
	Employees	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
Administrators	**No.**	**No.**	**No.**	**No.**	**%**
Other staff					
0 - 3	1	1	1	0	
4 - 6	1		0	0	
7 - 9	0		0	0	
10 - 12	3		3	0	
13 - 15	1		1	0	
16 - 18	24		24	0	
19 - 20	0		0	0	
Total	30		29	0	
					T 3.21.4

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

Chapter 3

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

The Executive Mayor exercises overall political responsibility for sound governance and service delivery, whilst the Office of the Speaker is mainly responsible for managing Council and Committee meetings, public participation, Ward Committees, PPO's and CDW

The Municipal Manager is the accounting officer of the municipality and reports to the Mayor and Council. Top service delivery priorities included:

- ensuring sound financial health of the municipality
-sustainable service delivery

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services

T 3.24

3.24 EXECUTIVE AND COUNCIL

This component includes: Executive office (Mayor; Speaker, Councilors; and Municipal Manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

The municipal Executive consists of Mayor and Chairpersons of Committees.

The council consists of ANC councillors who are in majority followed by DA, FFplus and Cope.

Our main priorities include providing political direction to the municipality and stabilizing administration in the best interest of the municipality to delivery improved services. Provision of quality water remains one of our top priorities. Upgrading of the water purification plants is an indication of another measure taken to deal with the situation. Lessening sewer spillages and improving the functionality of the sewer networks are some of the priorities undertaken by the municipality.

T 3.24.1

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL*T 3.69.2*

PROJECT DESCRIPTION	**SUM**	**AREAS**	**Number/BENEFICIARIES**
IDP & Budget Public Participation	R350 000,00	All Units	3810
Local Aids council	R250 000,00	All Units	200
Poverty Alleviation: Donation of school uniform Groceries Kitchen Soup Blanket distribution Vegetable gardens Orphanage centres Disability centres	R250 000,00	All Units	Less privileged families and school learners 850 learners 680 households/families 500 families 1 100 families 40 community structures 5 NGO's 2 NGO's
Tumahole Day	R250 000,00	All Units	700
Youth Development Education/registration fees	R250 000,00 R500 000,00	All Units	Funding 12 Youth Development projects 44 Learners from less privileged families
Mandela Day	R200 000,00	All Units	500 (NGO's)
Cleaning campaign		Schonkenville	200 Schonkenville NGO
DISABILITY & AGED PROJECTS & CAMPAIGNS: Disability	R250 000,00	All Units	People living with disability

Forum			
Co-operative Movement; SMME	R250 000,00	All Units	50 Youth and Women
MATHS & SCIENCE PROGRAMME	R250 000,00	All Units	500 learners
MAYORAL SPORTS GAMES	R500 000,00	All towns	220 youth
COMMUNITY PAUPER BURIALS	R500 000,00	All towns	32 families
POWER BOAT RACING PROGRAMME	R500 000,00	All Units	16 Youth
RECORD DEALS FOR LOCAL ARTISTS	R250 000,00	All Units	8 Youth
Media & Communications	R150 000,00	Parys	1 Lentswe Community Radio 1 Zenzele News (recently introduced community newspaper)
Women's day(Breast Cancer Awareness)	R250 000.00	All units	351 women

REPORT IN LINE WITH THE PUBLIC PRIVATE PARTNERSHIPS

STAKEHOLDER	CONTRIBUTION	BENEFICIARIES
Sasol Mining	Extension of Khanya Clinic in Kwakwatsi Blankets Groceries Toys	4 400 households 850 families 1 600 families 700 young orphans
De Beers Mine	Bursaries Blankets School uniform	25 students 600 families 800 learners
Mafuri Consulting	Toys Groceries	450 children 450 orphans Ratang Maqheku Old Age Home

Chapter 3

The Executive and Council Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
Service Indicators (i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
POVERTY ALLEVIATION To identify and implement poverty alleviation projects and programs that will contribute to a significant reduction in the current poverty levels.	- Provide school unirorms; -Assisting destitute families with groceries -Supplying toys			-600 -700 -100	-450 -680 -40	450 -680 -40			
YOUTHS To establish a local youth unit that will promote youth development in creating a vision for the future.	Youth development Power boat			614	530	530			

Executive and Council		
Job Level	**Year 2013/14**	
	Employees	**Posts**
	No.	**No.**
Mayor	1	1
Speaker	1	1
Executive	7	7
Councillors	30	30
Total	39	39

EMPLOYEES: THE EXECUTIVE AND COUNCIL					
Job Level	**Year -1**	**Year 0**			
	Employees	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
0 - 3	2	0	2	0	
4 - 6	4	0	4	0	
7 - 9	3	0	3	0	
10 - 12	2	0	2	0	
13 - 15	0	0	0	0	
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
Total	11	17	11		
					T 3.24.4

Capital Expenditure 2013/14: : Executive Council R' 000					
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
No capital projects were budgeted for Executive Council					
Project A					
Project B					
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.2.9*

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

The municipality is faced with serious backlogs with regard to attaining fully its top priority projects. The situation is further compounded by the poor performance with regard to MIG expenditure which more often than not results in the request for roll over. Our first step therefore is to unlock this impasse and have a guarantee that indeed our projects will be realised moving forward.

T 3.24.7

3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

The financial services department is made up of four units which are; Budget and Expenditure unit, the Supply Chain Management unit, the Revenue and Debt collection unit and the Senior Finance Manager. Three of the four managers have been appointed. There are a number of vacancies within the department, it is envisaged that all vacant positions will be filled during the 2014/15 MTREF, after the finalisation of the reviewed Municipal organogram.

Some of the service objectives set by the Finance department for the 2013/14 financial year are;

- To provide financial management that enhance viability and compliance with the requirements of MFMA and other relevant legislation
- Ensure that any unauthorized, irregular, fruitless and wasteful expenditure are managed and prevented
- Ensure that Creditors that are owed by the entity are paid within the legislative prescribed period.
- Ensure salaries, benefits and other third parties are paid on time, payroll changes should have supporting documents and accurate capturing of employees details on the system
- Update departments on the budget status
- To appoint panel of service providers on basic services e.g. (water chemicals, pumps) and To enter into a contract with Government garage for procurement of yellow fleet.
- To ensure that Financial Statements are accurate and credible information
- Valuation Roll; Tariff and Rates policies finalized and updated. To ensure that a supplementary valuation is compiled at least once a year in terms of Section 78 of the MPRA Clearance certificate

Despite challenges faced by the financial services department, the department has managed to strengthen some key environmental controls and move closer to bieng MFAM and institutionally functional

T 3.25.1

Debt Recovery							
							R' 000
Details of the types of account raised and recovered	2012/13		2013/14			2014/15	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estmated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	32063	71%	45601	31428	69%	48489	75%
Electricity - B + C	64583	51%	126136	98120	78%	145557	75%
Water - B + C	11577	19%	134474	14155	11%	40111	75%
Sanitation	8835	32%	25977	10520	41%	37057	75%
Refuse	6362	27%	29084	7072	24%	35148	75%
Other	37571	0%	0	4471	0%	0,00	0%
B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.							*T 3.25.2*

Concerning T 3.25.2

For the period under review the municipality's billing and collection information is presented on the table above.

The municipality is still experiencing serious challenges with the billing of water and electricity. The main contributing factors are the limited human resources, over levies and errors when capturing readings. The Revenue and Debt collection Manager has put in place measures to correct the billing, with the municipality planning to complete the billing cycle by the 20th of each month, therefore affording the revenue and debt collection section enough time to correct any errors identified on the exception report.

T 3.25.2.1

Chapter 3

Financial Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2012/13		2013/14			2014/15	2015/16	
		Target	Actual	Target		Actual		Target	
Service Indicators (i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective									
Bank and Cash Management									
To provide financial management that enhance viability and compliance with the requirements of MFMA and other relevant legislation	Bank reconciliation review done on a monthly basis. The following should be performed: 1. Bank reconciliation be printed on hard copies, reviewed, signed and properly filed. 2. Retrieval of bank statements on daily basis. 3. Adhere to legislative requirements by reporting on daily cash withdrawals (s11 reports).	1. Twelve reviewed, signed and prperly filed Bank Reconcilliations 2. Daily bank statements 3. Four s11 reports	1. Twelve reviewed, signed and properly filed Bank reconciliations were completed 2. Statements were drawn on a daily basis	1. Twelve reviewed, signed and prperly filed Bank Reconcilliations 2. Daily bank statements 3. Four s11 reports	1. Twelve reviewed, signed and prperly filed Bank Reconcilliations 2. Daily bank statements 3. Four s11 reports	1. Twelve reviewed, signed and properly filed Bank reconciliations were completed 2. Statements were drawn on a daily basis 3. Four s11 reports were completed and tabled at council	1. Twelve reviewed, signed and prperly filed Bank Reconcilliations 2. Daily bank statements 3. Four s11 reports	1. Twelve reviewed, signed and prperly filed Bank Reconcilliations 2. Daily bank statements 3. Four s11 reports	1. Twelve reviewed, signed and prperly filed Bank Reconcilliations 2. Daily bank statements 3. Four s11 reports
Expenditure Management									
Ensure that any unauthorized, irregular, fruitless and wasteful expenditure are managed and prevented	The following should be performed: 1. % reduction in unauthorised, irregular, fruitless and wasteful expenditure (%)	8% reduction							
Ensure that Creditors that are owed by the entity are paid within the legislative prescribed period.	The following should be performed: 1. Creditors to be paid within 30 days of invoice receipt 2. Cost cutting measures be implemented 3. Implementation of demand management system by end of first quarter 4. Perform an audit of all payment vouchers 5. Prepare and monitor cash flow projections 6. Process payments once or twice a week	12 Reports Establish demand management system 12 Reports on audited vouchers 12 reports on cash flow position of Municipality		12 Reports Establish demand management system 12 Reports on audited vouchers 12 reports on cash flow position of Municipality	12 Reports Establish demand management system 12 Reports on audited vouchers 12 reports on cash flow position of Municipality	12 creditors reports were compiled Demand Management system was not established 12 reports on the audit of payment vouchers 12 cashflow reports were compiled.	12 Reports Establish demand management system 12 Reports on audited vouchers 12 reports on cash flow position of Municipality	12 Reports Establish demand management system 12 Reports on audited vouchers 12 reports on cash flow position of Municipality	12 Reports Establish demand management system 12 Reports on audited vouchers 12 reports on cash flow position of Municipality
Ensure salaries, benefits and other third parties are paid on time Payroll changes should have supporting documents Accurate capturing of employees details on the system	The following should be captured and paid: 1. Authorized Overtime 2. All subsidies 3. Cellphone allowances 4. Standby allowances 5. Bonuses 6. Leave pay 7. Night shift allowances 8. Acting allowances 9. Medical aid and pension fund contributions	100%		100%	100%	he following were captured and paid : 1. Authorized Overtime 2. All subsidies 3. Cellphone allowances 4. Standby allowances 5. Bonuses 6. Leave pay 7. Night shift allowances 8. Acting allowances 9. Medical aid and pension fund contributions However the municipality Did not pay over PAYE dedudctions for some months	100%	100%	100%
Budget Management									
Update the departments of the budget status	1. Compilation and submission of budget as per approved budget programme – Council Resolution 2. Co-ordination of Budget Steering Committee meeting – Minutes distributed 3. Budget performance report to all departments	1 Report 12 sittings 12 Reports	1. Draft Budget was tabled in council on 28/03/2014and Final budget was adopted on 30/5/2014 (Council resolution available) 2. The budget steering committee has convened XXXX times during the 2013/14 financial year. 3. Twelve Budget performance reports were completed and distributed.	1 Report 12 sittings 12 Reports	1 Report 12 sittings 12 Reports	1. Draft Budget was tabled in council on 28/03/2014and Final budget was adopted on 30/5/2014 (Council resolution available) 2. The budget steering committee has convened XXXX times during the 2013/14 financial year. 3. Twelve Budget performance reports were completed and distributed.	1 Report 12 sittings 12 Reports	1 Report 12 sittings 12 Reports	1 Report 12 sittings 12 Reports

Supply Chain Management MFMA - Chapter 11									
SCM Policy Compliance.	To procure goods and services through proper and transparent process in line with the approved SCM Policy. Procurement of SCM system and compiling database form. Development of the Procurement Plan. Development of the Contract plan	Monitor and co-ordinate adherence to policy and legislation as per the requirements of the MFMA, Section 116, by: 1. Updating and review current supply chain policy in line with new legislation-Council Resolution 2. Develop and compile an accredited SCM database. 3. Verify information of service providers on municipal database 4. Plan and monitor procurement patterns and tendering processes. 5. Compile the Bids Committee schedule meetings		Monitor and co-ordinate adherence to policy and legislation as per the requirements of the MFMA, Section 116, by: 1. Updating and review current supply chain policy in line with new legislation-Council Resolution 2. Develop and compile an accredited SCM database. 3. Verify information of service providers on municipal database 4. Plan and monitor procurement patterns and tendering processes. 5. Compile the Bids Committee schedule meetings	Monitor and co-ordinate adherence to policy and legislation as per the requirements of the MFMA, Section 116, by: 1. Updating and review current supply chain policy in line with new legislation-Council Resolution 2. Develop and compile an accredited SCM database. 3. Verify information of service providers on municipal database 4. Plan and monitor procurement patterns and tendering processes. 5. Compile the Bids Committee schedule meetings	was reviewed. The SCM policy is now in line with the model policy. The review was undertaken with the assistance of FS Provincial treasury. 2, SCM Database has not been finalised. Invitation to suppliers to apply and be registered has been advertised. 3, verification of service providers was not done 4, Tender and Bids registers are in place however the municipality did not have procurement plans in place. Procurement plans have been prepared and signed off for the 2014/15 financial year. 5, Bids committee	Monitor and co-ordinate adherence to policy and legislation as per the requirements of the MFMA, Section 116, by: 1. Updating and review current supply chain policy in line with new legislation-Council Resolution 2. Develop and compile an accredited SCM database. 3. Verify information of service providers on municipal database 4. Plan and monitor procurement patterns and tendering processes. 5. Compile the Bids Committee schedule meetings	Monitor and co-ordinate adherence to policy and legislation as per the requirements of the MFMA, Section 116, by: 1. Updating and review current supply chain policy in line with new legislation-Council Resolution 2. Develop and compile an accredited SCM database. 3. Verify information of service providers on municipal database 4. Plan and monitor procurement patterns and tendering processes. 5. Compile the Bids Committee schedule meetings	Monitor and co-ordinate adherence to policy and legislation as per the requirements of the MFMA, Section 116, by: 1. Updating and review current supply chain policy in line with new legislation-Council Resolution 2. Develop and compile an accredited SCM database. 3. Verify information of service providers on municipal database 4. Plan and monitor procurement patterns and tendering processes. 5. Compile the Bids Committee schedule meetings
Deviation									
To appoint panel of service providers on basic services e.g. (water chemicals, pumps). To enter into a contract with Government garage for procurement of yellow fleet.	To manage and minimize urgent request of goods and or services Finalised Government garage contract and delivery of yellow fleet by end of second Quarter	12 Reports 1 Report		12 Reports 1 Report	12 Reports 1 Report	Monthly deviations regiter kept. Panel of service providers has been appointed for all regularly puchased goods (chemicals,stationary, cleaning materials etc) SLA has been signed with Government garage, Municipality has taken delivery 11 bakkies and is still waiting for the delivery of yellow fleet.	12 Reports 1 Report	12 Reports 1 Report	12 Reports 1 Report
Insurance and Accidents									
Effect all insurance claims as and when they happen	The following should be performed: 1. Ensure that monthly payment are effected 2. Compile report regarding all the claims	4 Report		4 Report	4 Report	No Reports were compiled.	4 Report	4 Report	4 Report
Councils Asset Register - Section 63									
Development of moveable and fixed assets including Infrastructure	The following should be performed: 1. Keep a register and supporting documents of moveable assets with its current value 2. Provide all departments with an accurate and up-to date asset register 3. Risk assessment be done of fixed assets 4. Develop a grap compliant fixed asset register with current value by end of first quarter	12 Reports 1 Report		12 Reports 1 Report	12 Reports 1 Report	1. 9 reports were compiled. Reports for April - June 2014 are outstanding 2. Service provider to assist with the compilation of a Grap compliant Asset Register was appointed however the register was not completed by the end of the first quarter of the 2013/14 Financial year.	12 Reports 1 Report	12 Reports 1 Report	12 Reports 1 Report
Stock Maintenace and Management									
To ensure that inventory lists is accurate, updated and safeguarded	The following should be performed: 1. Regular stock taking to be performed 2. Report on inventory register	1 Report		1 Report	1 Report	Stock take was completed on 24 June 2014. Report was compiled.	1 Report	1 Report	1 Report
Fleet Management									
To ensure proper record and listing of all the municipal vehicles and drivers	1. Regular maintenance on all vehicles 2. Fleet management and control 3. Site training and screening of all drivers 4. Disposal of redundant assets	12 Report 12 Reports 1 Report		12 Report 12 Reports 1 Report	12 Report 12 Reports 1 Report	1, Contract for vehicle maintenance is in place. Monthly reports are available 2, Control sheets have been designed and implemented. Drivers were workshopped on the control sheets. Drivers were trained and inspected by the municipal traffic section. Log books and vehicle checklists are completed on a daily basis. 3, Report on the disposal of redundant vehicles has been compiled and is readily available.	12 Report 12 Reports 1 Report	12 Report 12 Reports 1 Report	12 Report 12 Reports 1 Report

FINANCIAL MANAGEMENT									
Budget Management MFMA Chaper 4									
	Submission of financial reports in terms of the MFMA: 1. Section 71-financial reports submitted to Council - Mayoral Committee, National Treasury and other authorities before the 10th of each month-Council Resolution Number 2. Section 72-mid-year performance assessment report submitted to 2.1 Council 2.2 Mayor 2.3 National Treasury 2.4 Provincial Treasury	12 Reports 1 Resolution		12 Reports 1 Resolution	12 Reports 1 Resolution	12 monthly s71 reports were generated and submitted to NT and other authorities Mid year assessment was tabled at council on 31 January 2014.	12 Reports 1 Resolution	12 Reports 1 Resolution	12 Reports 1 Resolution
To ensure that Financial Statements are accurate and credible information	Finalisation of financial statements by adhering to the following: 1. Submission to the performance & Audit Committee for revision (Sec 166(2)(b) and (3)(b)(ii)-MFMA – Resolution Number 2. Submission to the auditor-General for annual external auditing (Sec126(1)(a) –MFMA) – Proof of Submission 3. Submission of audit report received from the Auditor-General to the Performance & Audit Committee for notification	Submission of credible and accurate AFS as per legislation	2012/13 AfS were submitted to AG on 30/08/2013	Submission of credible and accurate AFS as per legislation	Submission of credible and accurate AFS as per legislation	2013/14 AFS will be submitted to AG on 29/08/2014	Submission of credible and accurate AFS as per legislation	Submission of credible and accurate AFS as per legislation	Submission of credible and accurate AFS as per legislation
Ensure that the Audit Plan is implemented	The following should be performed: 1. Progress report on the implementation of the Audit Plan to address queries raised 12/13- 13-14 2. Compliance to GRAP and GAMAP standards 3. Clearing of suspense accounts 4. All internal controls and procedures be applied and implemented	Twelve monthly reports indicating the progress made on implementation of the Audit action plan.		Twelve monthly reports indicating the progress made on implementation of the Audit action plan.	Twelve monthly reports indicating the progress made on implementation of the Audit action plan.	Monthly reports on the implementation of the audit action plan are available.	Twelve monthly reports indicating the progress made on implementation of the Audit action plan.	Twelve monthly reports indicating the progress made on implementation of the Audit action plan.	Twelve monthly reports indicating the progress made on implementation of the Audit action plan.

REVENUE MANAGEMENT									
Debtors billing									
Ensure that the billing is accurate and credible	Data purification conducted	R100 000 (20%)		R100 000 (20%)	R100 000 (20%)				
	Ensure timeous distribution of accounts: 1. Billing be done by 20th of the month 2. Date posted (25th of the month) 3. Due date for payment of accounts by 7th of the month.	Monthly		Monthly	Monthly	1. Meter readers were appointed and trained. Billing has not been consistantly done by the 20th of each month. November and December 2013 were a challenge due to contract expiration of meter reading contract. 90% of the meters as per approved meter reading cycle are read.	Monthly	Monthly	Monthly
Valuation Roll and Supplementary									
Valuation Roll; Tariff and Rates policies finalized and updated. To ensure that a supplementary valuation is compiled at least once a year in terms of Section 78 of the MPRA Clearance certificate	Conduct, maintain and monitor the valuation roll within NLM Ensuring that clearance certificate are issued as follows: 1. Figures provided within 3 working days after receipts of request 2. Certificate issued within 3 working days after receipt or proof of payment 3. Report on number of application received and certificate issued	4 Report 12 Report		4 Report 12 Report	4 Report 12 Report	The municipal Valuer was appointed in September 2013 for the valuation roll of 2014-2018, which will be implemented as from 1 July 2014.	4 Report 12 Report	4 Report 12 Report	4 Report 12 Report
Payment Levels									
Ensure that all the monies due are collected	Monitoring of payment levels as per amount levied 1. % increase in payment levels 2. Monitoring ageing of Government Debt 3. Monitoring and report councilors and officials in arrears 4. Monitoring of disconnections and reconnection of services by Electricians	75% 12 reports		75% 12 reports	75% 12 reports	1, There is no Percentage growth in revenue collected by the municipality as the end of June 2014.	75% 12 reports	85% 12 reports	95% 12 reports
Replacement of Faulty meters	Ensure all meter boxes are effectively and efficiently in operation.	Buy at least 3000 meters for semester And the last semester buy at least 2000 meters		Buy at least 3000 meters for semester And the last semester buy at least 2000 meters	Buy at least 3000 meters for semester And the last semester buy at least 2000 meters	Service provider was appointed in March 2014 and replaced 2 500 meters in Koppies	Buy at least 3000 meters for semester And the last semester buy at least 2000 meters	Buy at least 3000 meters for semester And the last semester buy at least 2000 meters	Buy at least 3000 meters for semester And the last semester buy at least 2000 meters
Indigent									
Ensure that free electricity is received by indigent only	Report on: 1. Number of new applicants received 2. Total number of indigent registered 3. Value of subsidies paid 4. Value of debt written off 5. Key Changes on Pre-paid Meters	4 Reports		4 Reports	4 Reports 38 000 000	1 report on indigent subsidies was prepared	4 Reports 38 526 000	4 Reports 40 607 000	4 Reports 42 800 000

*Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incoporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.*

T 3.25.3

Chapter 4

Employees: Financial Services					
Job Level	2012/13	2013/14			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	5	4	1	20%
4 - 6	9	7	9	-2	-29%
7 - 9	15	19	15	4	21%
10 - 12	52	91	52	39	43%
13 - 15	0	0	0	0	#DIV/0!
16 - 18	3	0	3	-3	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
Total	83	122	83	39	32%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.25.4*

Financial Performance 2013/14: Financial Services					R'000
Details	2012/13	2013/14			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	533637	203180	180488	0	#DIV/0!
Expenditure:					
Employees	177184	16923	16739	0	#DIV/0!
Repairs and Maintenance	18582	350	480	0	#DIV/0!
Other	411463	100685	79735	0	#DIV/0!
Total Operational Expenditure	607229	117958	96954	0	#DIV/0!
Net Operational Expenditure	73592	-85222	-83534	0	#DIV/0!

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.25.5*

Capital Expenditure 2013/14 : Financial Services					R' 000
Capital Projects	2013/14				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	
Sport and Recreation	0	0	0	#DIV/0!	0
Road transport	0	0	0	#DIV/0!	0
Electricity	0	0	0	#DIV/0!	0
Water	0	0	0	#DIV/0!	0
Waste Water Management	0	0	0	#DIV/0!	0
Other (PMU)	0	0	0	#DIV/0!	0

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. *T 3.25.6*

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

During the 2013/14 financial year the financial services department did not budget for nor undertake any capital projects.

As disclosed in table 3.25.3, the finance department had a large number of targets; the targets are disclosed as per the sections within the finance department.

The sections are as follows:

- Bank and Cash Management;
- Budget and Expenditure Management;
- Supply Chain Management;
- Financial Management; and
- Revenue and Debt collection.

As indicated in table 3.25.3, the finance department has achieved majority of its set targets, however there is still a lot that needs to be done especially on budget management, Supply chain Management and Revenue management and debt collection.

The targets set out in the IDP schedule can be attained within the approved budget provision. The IDP and the budget were reviewed in conjunction and the IDP informed the budget.

For the 2013/14 financial year the finance department had budgeted to collect revenue amounting to R 203.2 million and expenditure amounting to R 117.9 million, during the adjustment budget process the budgeted revenue and expenditure estimates were revised downwards. The revised figures amounted to R 180.5 million and R 96.9 million for revenue and expenditure, respectively. At the end of the financial year actual revenue collected and Expenditure incurred by the finance department amounted to xx and xx respectively, and therefore indicating that xx and xx percent of the adjusted revenue and operational expenditure finance budget was realized.

As per the approved municipal organogram, the finance department has a total of 122 posts, 83 of those posts have been filled leaving 39 (32 percent of the posts) posts vacant. As at the end of the period under review, three of the five senior positions were filled and two were vacant, for the majority of the year the municipality had an appointed CFO, however for the last two months of the financial year the post was vacant.

T 3.25.7

1.25 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The department deals with the recruitment of staff, promotions, demotions, transfers, terminations, leave management, occupational health and safety and employee wellness.

During the period under review the municipality managed to appoint the following critical positions,
Director Technical Services: Mr Ntokozo Shabalala

During the period under review the following senior managers resigned:

Municipal Manager: Adv Thabo Mokoena
Chief Financial Officer: Mr Lucas Leeuw

Progress for the appointment of the vacant positions of senior managers

Item for both Municipal Manager and Chief Financial Officer were presented to Council in line with the regulations for the appointments of senior managers. Council resolved that the positions should be advertised. The position of the municipal manager was advertised and the shortlisting as well as interviews were held and council was to resolve on the appointment of the new Municipal Manager on the 07th August 2014 at Parys Forum Building at 12H00 in line with the recommendation of the interview committee.

During the closing date of the advertisement of the position of the CFO, the turnout of the applications was low in the sense that only two applications were received and as a result the vacant position was re-advertised.

SERVICE OBJECTIVES	OUTLINE SERVICE TARGETS	YEAR 2013-2014	
		TARGET	ACTUAL
		PREVIOUS YEAR	
To enhance human capacity & productivity within the municipality	Ensure that the organizational structure is fully implemented	Only 703 positions from the organizational structure were filled	937 positions are filled which is a difference of 234 positions from the previous year
Ensure that employees are fit for work and well informed	Ensure that induction workshops are conducted for the employees and also prepare employee wellness programs	Inductions were conducted for new employees	

To implement compliance in an organizational structure that will be efficient .effective and transparency	Completion of the review of the existing and approved structure	The approved structure was implemented as approved by Council	COGTA appointed the service provider to assist the municipality with the review of the organogram. The progress is as follows: The draft organogram was presented to council , managers and the union. Workshop were organised and thereafter, the organogram shall be presented to the council meeting in 2015 for adoption. Implementation shall thereafter be rolled out. *T.3.25.3*

EMPLOYEES: CORPORATE SERVICES/HUMAN RESOURCE SERVICES/IT					
Job Level	**Year -13/14**	**Year 13/14**			
	Employees	**Posts**	**Employees**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
0 - 3	3	5	3	2	35%
4 - 6	4	5	4	1	0%
7 - 9	8	8	8	0	0%
10 - 12	7	7	7	0	0%
13 - 15					0%
16 - 18	6	6	6	0	0%
19 - 20	0	0	0	0	%
Total	28	31	28	3	10%
T3.26.4					

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES
The Section works with ensuring proper communication within and outside of the municipality in ensuring that,

1. Telephone systems are properly operational
2. Website of the municipality encompasses all the required information
3. Computer systems are properly functioning and updated and maintained from time to time
4. Network infrastructure is continuously upgraded

T 3.27.1

SERVICE OBJECTIVES	OUTLINE SERVICE TARGETS	YEAR 2013-2014	
		TARGET	ACTUAL
		PREVIOUS YEAR	
To render effective and efficient IT Services	1. To develop the municipal ICT Policy 2. To upgrade the internal telecommunication systems. 3. To develop adequate IT infrastructure to service all towns. 4. Operationalize the municipal website	Development of the ICT policy Improve our internal telephone lines to link with all Regions Upgrading of the website	Draft ICT policy developed and awaiting Council approval New telephone system installed through NASHUA Website upgraded but there is information that must still be uploaded

EMPLOYEES	Year 2013/2014	Year 2013/2014			
Job Level	Employees No	Posts No	Employees No	Vacancies (full time equivalents) No	Vacancies as a % of total posts %
0	0	1	0	1	100%
0-3					
4-6					
7-9	5	5	5		0%
TOTAL	5	6	5	1	17%

Capital Projects	Year 2013/2014				
	Budget	Adjustment Budget	Actual Budget	Variance from original budget	Total Project Value
Upgrading of ICT infrastructure	R2,6m	0	R2,6m	0	R2,6m

T.3.27.5

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The municipality has installed a new windows server to improve the internet service.

T3.27.7

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

The Section works with ensuring that discipline is maintained and negotiations and representation on litigations are adhered to, and also ensure day to day administration of Council section 80 committees, EXCO, LLF and Council items and agendas are prepared

T.3.28.1

SERVICE OBJECTIVES	OUTLINE SERVICE TARGETS	YEAR 2013/2014	
		TARGET	ACTUAL
		PREVIOUS YEAR	
To provide information on legal claims brought against the municipality	To ensure that all legal claims against the municipality are attended to	Settlement and payment of litigations against the municipality	4 of the 20 litigation matters were finalised
To provide monthly statics on disciplinary cases		11 Disciplinary tribunals to be resolved	Of the 11 cases, 8 were finalised and 3 are still remaining
To provide information on conciliation & arbitration matters that has been referred to bargaining council	Finalise DC matters within required three months period Finalising & dealing with all B/C matters effectively without resorting to expensive legal route	7 Matters at the Bargaining Council and 1 CCMA matter to be resolved 4 Labour Court matters to be resolved	4 Bargaining Council matters have been resolved and only 3 are outstanding and 1 CCMA matter has been resolved 2 Labour Court matters were resolved

EMPLOYEES	Year 2013/2014	Year 2013/2014			
Job Level	Employees No	Posts No	Employees No	Vacancies (full time equivalents) No	Vacancies as a % of total posts %
0-3	1	1	1	0	0
4-6	2	3	2	1	30,33%
7-9					
10-12	4	4	4	0	0

16-18	6	6	6	0	0
TOTAL	13	14	13	1	8%

Details	Year	Year			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Litigations	R2m	R2m	R2m	R2m	

COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises.

INTRODUCTION TO MISCELLANEOUS

Municipality has only one airport in Parys that is leased to the Hangar Association in Parys.
Abattoirs which is privately owned.

T 3.29.

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

The Municipal Council needs to ensure that the municipality performs effectively within its administrative and financial capacity by creating relevant and adequate number of posts at various levels.

T 4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

1.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	**Year -1**	**Year 0**			
	Employees	**Approved Posts**	**Employees**	**Vacancies**	**Vacancies**
	No.	**No.**	**No.**	**No.**	**%**
Water	39	88	39	49	56 %
Waste Water (Sanitation)	40	90	40	50	56 %
Electricity	48	57	48	9	%
Waste Management (Refuse)	80	139	80	59	%
Housing/Planning	2	17	2	15	%
Roads	36	111	36	75	%
Local Economic Development	4	10	4	6	49 %
Community & Social Services	30	45	30	15	33 %
Finance	83	122	83	39	32 %
Traffic	9	9	9	0	0 %
Sport and Recreation/Mimosa	30		30		%
Executive Council	50	17	50	33	%
Corporate Services	28	31	28	3	10%
ICT	5	6	5	1	17%
Legal/Risk/Procurement	13	14	13	1	8%
Totals	**497**				–

Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.

T 4.1.1

COMMENT ON VACANCIES AND TURNOVER:
The positions for the Director Technical Services was filled whereas the CFO and Municipal Manager have resigned during the period under review

Designation	Vacancy Rate:Year		
	Total Approved Posts No	Vacancies (Total time that vacancies existing full time equivalents) No	Vacancies (as a proportion of total posts in each category) %
Records keeper (Mayor)	1	1	100
Audit Officer	3	1	75
4 x IDP/PMS Officers	4	4	100
GIS Officer	1	1	100
2 x Public Relations and Governance Support	2	2	100
Chief Operations Officer	1	1	100
IT Manager	1	1	100
Disaster Management Snr Officer	1	1	100
Traffic Officers	36	29	80
Station Officers	8	7	87.5
Firemen	30	14	46.6
Control Room Attendants	4	3	75
Electricity Technicians	4	3	75
Senior Marketing Officer	1	1	100
Senior Tourism Officers	2	2	100
Econimic Research and Info Snr Officer	1	1	100
Senior SMME and Business Support Officer	2	1	50
Housing and Planning Manager	1	1	100

Senior Planning Officers	2	2	100
Senior Environmental Officers	2	2	100
Building Control Supervisors	5	3	
CAD Operator	1	1	100
Housing Clerks	5	2	60
Municipal Manager	1	1	100
CFO	1	1	100
Total	120	86	73
			T 4.1.2

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Year -2	50	18	36%
Year -1	50	12	24%
Year 0	50	10	20%
** Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year*			*T 4.1.3*

COMMENT ON VACANCIES AND TURNOVER:

The process of reviewing the organogram is intended to ensure that the vacancy rate will be laid to rest finally and critical posts will be occupied by suitably qualified incumbents.

T 4.1.4

Chapter 4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

All HR policies have been developed and from time to time the collective agreements are amended, we also amend the policies and submit them to council for adoption.

T 4.2.0

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by Council or comment on failure to adopt
	1. Ngwathe Working Hours Policy	100	0	01/04/2008
	2. Ngwathe Voluntary Separation Policy	100	0	01/04/2008
	3. Ngwathe Use of Policy Manual	100	0	01/04/2008
	4. Ngwathe Use of Mayoral Vehicle and Official	100	0	01/04/2008
	Journeys Policy	100	0	01/04/2008
	5. Ngwathe Use of Internet, Computer software and	100	0	01/04/2008
	hardware and	100	0	01/04/2008
	6. Ngwathe use of external recruitment agencies	100	0	01/04/2008
	Policy	100	0	01/04/2008
	7. Ngwathe Theft and Loss Policy	100	0	01/04/2008
	8. Ngwathe Succession Planning Policy	100	0	01/04/2008
	9. Ngwathe Substance Abuse (Alcohol and Drugs)	100	0	01/04/2008
	Policy	100	0	01/04/2008
	10. Ngwathe Subsistence and Travelling Policy	100	0	01/04/2008
	11. Ngwathe Smoking Policy	100	0	01/04/2008
	12. Ngwathe Skills Development Policy	100	0	01/04/2008
	13. Ngwathe Sexual and Racial Harassment Policy	100	0	01/04/2008
	14. Ngwathe Salary advances Policy	100	0	01/04/2008
	15. Ngwathe Resignation Policy	100	0	01/04/2008
	16. Ngwathe Relocation Expenditure Policy	100	0	01/04/2008
	17. Ngwathe Recruitment and Selection Policy	100	0	01/04/2008
	18. Ngwathe Protective Clothing and Uniforms Policy	100	0	01/04/2008
	19. Ngwathe Protected Disclosure Policy	100	0	01/04/2008
	20. Ngwathe Promotion Policy	100	0	01/04/2008
	21. Ngwathe Policy Manual Index	100	0	01/04/2008
	22. Ngwathe Policy Manual Front cover	100	0	01/04/2008
	23. Ngwathe Placement Policy	100	0	01/04/2008
	24. Ngwathe Performance Management Policy	100	0	01/04/2008
	25. Ngwathe Payroll Deductions Policy	100	0	01/04/2008
	26. Ngwathe Overtime Template	100	0	01/04/2008
	27. Ngwathe Organisational Rights Policy	100	0	01/04/2008
	28. Ngwathe Operational Requirements Policy	100	0	01/04/2008
	29. Ngwathe Official Housing Policy	100	0	01/04/2008
	30. Ngwathe Occupational Health and Safety Policy	100	100	28/02/2013
	31. Ngwathe Membership of Professional Societies	100	0	01/04/2008
	Policy	100	0	01/04/2008
	32. Ngwathe Medical Examination Policy	100	0	01/04/2008
	33. Ngwathe Medical Aid Policy	100	0	01/04/2008

	34. Ngwathe Long Service Policy	100	0	01/04/2008
	35. Ngwathe Leave policy	100	0	01/04/2008
	36. Ngwathe Leave Encashment Policy	100	0	01/04/2008
	37. Ngwathe Language Policy	100	0	28/02/2013
	38. Ngwathe Job Evaluation Policy	100	0	01/04/2008
	39. Ngwathe Induction Policy	100	0	01/04/2008
	40. Ngwathe Incapacity Policy	100	0	01/04/2008
	41. Ngwathe Housing and Rental Allowance Policy	100	0	01/04/2008
	42. Ngwathe Home Owners Policy	100	0	01/04/2008
	43. Ngwathe HIV AIDS Policy	100	0	01/04/2008
	44. Ngwathe Group Life Policy	100	0	01/04/2008
	45. Ngwathe Grievances Policy	100	0	01/04/2008
	46. Ngwathe Firearms and Dangerous Weapons Policy	100	0	01/04/2008
	47. Ngwathe Extraneous Employment (Moonlighting)	100	0	01/04/2008
	Policy	100	0	01/04/2008
	48. Ngwathe Exit Management and Staff Retention	100	0	01/04/2008
	Policy	100	0	01/04/2008
	49. Ngwathe Entertainment Policy	100	0	01/04/2008
	50. Ngwathe Employment Equity Policy	100	0	01/04/2008
	51. Ngwathe Employee Use of Assets Policy	100	0	01/04/2008
	52. Ngwathe Employee Assistance and Wellness Policy	100	0	01/04/2008
	53. Ngwathe Disciplinary Code Policy	100	0	01/04/2008
	54. Ngwathe Conflict of Interest Policy	100	0	01/04/2008
	55. Ngwathe Confidentiality of Information Policy			
	56. Ngwathe Code of Conduct Policy	100	0	01/04/2008
	57. Ngwathe Cellular Phone Policy			
	58. Ngwathe Career Pathing Policy	100	0	01/04/2008
	59. Ngwathe Bursaries Policies	100	0	01/04/2008
	60. Ngwathe Appointment in an Acting Position Policy	100	0	01/04/2008
	61. Ngwathe Allowances Policy	100	0	01/04/2008
		100	0	01/04/2008
		100	0	01/04/2008
		100	0	01/04/2008
		100	0	01/04/2008
		100	0	01/04/2008
		100	0	01/04/2008
		100	0	01/04/2008
		100	0	01/04/2008
		100	0	01/04/2008

COMMENT ON INJURY AND SICK LEAVE:

The municipality has the contracts with different medical practitioners who treat our employees in line with the programme agreed with them from time to time. Employees who are injured on duty are sent to private hospitals and the relevant forms are completed for the Compensation Commissioner.

T 4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Types of injuries	Number and cost of injuries on duty				
	Injury Leave taken Days	Employees using injury Leave No	Proportion employees using sick leave %	Average injury Leave per employee Days	Total Estimated Cost R
Required basic medical attention only		2			
Temporal total disablement		1			
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total		3	0	0	0

Number and period of suspension				
Position	Nature of suspension	Days of suspension	Details of disciplinary action taken or status of case and reasons why not finalised	Date finalised
2x General workers	With pay	2 months	Finalised	15 November 2013
1x Sewer Operator	With pay	3 months	Finalised	24 June 2014

T 4.3.4

Disciplinary action taken on cases of financial misconduct			
Position	Nature of alleged misconduct and rand value of any loss to the municipality	Disciplinary action taken	Date finalised
FORMER CFO	Mismanagement of funds	Suspended and terminated	21 April 2014
1 x cashier	Mismanagement of funds	Suspended and fined	14 March 2014

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

There is one case that took more than 4 months where an employee was suspended and this was due to the request of the Trade Union that we should finish the pending case at Arbitration. The arbitration case has been finished and we are now handling the internal hearing.

T 4.3.7

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Creation of skills development opportunities for the councilors, employees and communities. To conduct and update the credible skills audit and compile the Workplace Skills Plan (WSP).To implement the WSP in the form of skills programmes, learnerships, artisanship, internships and bursaries

T 4.5.0

SKILLS DEVELOPMENT AND TRAINING SKILLS DEVELOPMENT

Management Level			**SKILLS MATRIX**											
	Gender	**Employees in posts as at 30 June 2013/14**	**Number of skilled employees required**											
			Learnerships			**Skills programmes and other short courses**			**Other forms of training**			**Total**		
MM & S56		No	Actual End of 13/14	Actual End of 2013/14	Year Target	Actual End of 2013/14	Actual End of 2013/14	Year Target	Actual End of 2013/14	Actual End of 2013/14	Year Target	Actual End of 2013/14	Actual End of 2013/14	Year Target
	Female	01	0	0	0	1	1	1	0	0		1	1	1
	Male	03	0	0	0	3	3	3	0	0		3	3	3
Councillors, senior officials and managers	Female	49				17	17	17	32	32	32	49	49	49
	Male	42				19	19	19	23	23	23	42	42	42
Technicians and associate professionals	Female	8				8	8	8				8	8	8
	Male	12				12	12	12				12	12	12
Professionals	Female									3	3			
	Male									1	1			
Sub total	Female	58						26			32			
	Male	57						34			23			
Total		115						60			55			

Management Level	SKILLS DEVELOPMENT EXPENDITURE									
	Gender	Employees in posts as at 30 June	Original Budget and actual expenditure on skills development :							
			Learnerships		Skills programmes and other short courses		Other forms of training		Total	
		No	Original Budget	Actual Budget	Original Budget	Actual Budget	Original Budget	Actual Budget	Original Budget	Actual Budget
MM & S56	Female	1				R50 000.00				
	Male	3				R150 000.00				
Councillors, senior officials and managers	Female	49				R153 000.00			R160 000,00	
	Male	42				R171 000.00			R115 000.00	
Technicians and associate professionals	Female	8				R79 992.00				
	Male	12				R119 988.00				
Professionals	Female	3							R150 000.00	
	Male	1							R50 000.00	
Sub total	Female					R282 992.00			R310 000.00	**R592 992.00**
	Male					R440 988.00			R165 000.00	**R545 998.00**
TOTAL						**R723 890.00**			**R475 000.00**	**R1 202 890.00**

Management Level	SKILLS DEVELOPMENT EXPENDITURE									
	Gender	Employees in posts as at 30 June	Original Budget and actual expenditure on skills development :							
			Learnership		Skills programmes and other short courses		Other forms of training		Total	
		No	Original Budget	Actual Budget	Original Budget	Actual Budget	Original Budget	Actual Budget	Original Budget	Actual Budget
MM & S56	Female	1				R50 000.00				
	Male	3				R150 000.00				
Councillors, senior officials and managers	Female	49				R153 000.00			R160 000,00	
	Male	42				R171 000.00			R115 000.00	
Technicians and associate professionals	Female	8				R79 992.00				
	Male	12				R119 988.00				
Professionals	Female	3							R150 000.00	
	Male	1							R50 000.00	
Sub total	Female					R282 992.00			R310 000.00	**R592 992.00**
	Male					R440 988.00			R165 000.00	**R545 998.00**
TOTAL						**R723 890.00**			**R475 000.00**	**R1 202 890.00**

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

DISCLOSURES OF FINANCIAL INTERESTS

Refer to disclosures made by officials and councillors concerning their financial interests as required by PM Regulations 805 of 2006 are set out in **Appendix J**. Make other comments as appropriate.

T 4.6.

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

During the current financial year the municipality was faced with a number of challenges which include but not limited to high outstanding Eskom account, increased backlogs but decreasing financial basket, extra ordinarily high over time claims, low revenue collection. The municipality was able to navigate through the above mentioned challenges. The municipality is currently making strides in meeting its current account to Eskom, council has taken a resolution that overtime expenditure should be cut by fifty percent, this will be assisted by the fact that the municipality has approached the provincial CoGTA to assist with reviewing of the Municipal organ gram and providing clearly defined job descriptions for each post on the organ gram.

The municipality sought to contain inflationary pressures by ensuring that the expenditure items on the 2013/14 municipal budget were not increased by more than six (6) percent. Salaries, costs of services to community were increased as per the guidelines provide by National treasury, NERSA and Rand Water.

During the course of the 2013/14 financial year the municipality had to appoint some consultants to assist the municipality and to transfer valuable skills that will in the future ensure that the municipality gradually moves away from appointing consultants. The five most expensive consultancy engagements for the municipality were as follows:

Manna Holdings (valuation roll) – Paid a total of R 2.1 million – Manna holdings was appointed to conduct the 2014/15 municipal valuation roll.
Maxprof – Paid a total of R 1.5 million – Maxprof services was appointed to assist the municipality with vat and tax related matters.
Business connection – Paid a total of R 1.03 million – Business connection is the Venus (Financial system) administrators.
Botlokwa – To be paid a total of R 2.1 million for the supply and delivery of PPE (Protective clothing) for municipal employees.
Payday – Paid a total of R 131 450.56 for assistance with the payday system

T 5.0.1

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Chapter 5

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

Note: Statements of Revenue Collection Performance by vote and by source are included at ***Appendix K****.*

This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

T 5.1.0

Chapter 5

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	2013/14											2012/13			
R thousands	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Performance															
Property rates	48 489	–	48 489	–		48 489	42 923		(5 566)	89%	89%				
Service charges	234 538	(21 500)	213 038	–		213 038	315 691		102 653	148%	135%				
Investment revenue	575	1 700	2 275	–		2 275	2 057		(218)	90%	358%				
Transfers recognised - operational	159 631	–	159 631	–		159 631	147 282		(12 349)	92%	92%				
Other own revenue	14 759	(9 200)	5 559	–		5 559	31 068		25 509	559%	211%				
Total Revenue (excluding capital transfers and contributions)	457 992	(29 000)	428 992	–		428 992	539 022		110 029	126%	118%				
Employee costs	132 068	(798)	131 270			131 270	173 054		41 784	132%	131%	13 809	–	–	
Remuneration of councillors	9 793	–	9 793	–		9 793	10 176		384	104%	104%		–	–	
Debt impairment	43 198	–	43 198			43 198			(43 198)	0%	0%	49 263	–	–	
Depreciation & asset impairment	2 200	–	2 200			2 200	101 495		99 295	4613%	4613%		–	–	
Finance charges	2 900	–	2 900	–		2 900	1 817		(1 083)	63%	63%	598	–	–	
Materials and bulk purchases	152 157	–	152 157	–		152 157	149 690		(2 466)	98%	98%		–	–	
Transfers and grants	38 526	(20 000)	18 526	–		18 526	–		(18 526)	0%	0%		–	–	
Other expenditure	77 151	718	77 869	–		77 869	153 951		76 082	198%	200%		–	–	
Total Expenditure	457 993	(20 080)	437 913	–		437 913	590 184		152 271	135%	129%	1 949	–	–	
Surplus/(Deficit)	(0)	(8 920)	(8 921)	–		(8 921)	(51 162)								
Transfers recognised - capital	67 889	–	67 889	–		67 889									
Contributions recognised - capital & contributed assets	–	–	–	–		–									
Surplus/(Deficit) after capital transfers & contributions															
Share of surplus/ (deficit) of associate			–	–		–									
Surplus/(Deficit) for the year	67 889	(8 920)	58 968	–		58 968									
Capital expenditure & funds sources															
Capital expenditure															
Transfers recognised - capital	67 889	21 400	89 289	–		89 289	86 689		(2 600)	97%	128%				
Public contributions & donations			–	–		–									
Borrowing	6 000	–	6 000	–		6 000	–		(6 000)	0%	0%				
Internally generated funds			–	–		–									
Total sources of capital funds															
Cash flows															
Net cash from (used) operating	41 982	10 136	52 118	–		52 118	13 929		(38 189)	27%	33%				
Net cash from (used) investing	(73 889)	(21 400)	(95 289)	–		(95 289)	(46 242)		49 047	49%	63%				
Net cash from (used) financing	3 100	–	3 100	–		3 100	(6 615)		(9 715)	-213%	-213%				
Cash/cash equivalents at the year end	1 093	(11 264)		–											

T 5.1.1

Chapter 5

Financial Performance of Operational Services						
						R '000
Description	2012/13	2013/14			2013/14 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	–	20 867	20 806	103 254	79,79%	79,85%
Waste Water (Sanitation)	–	15 416	13 864	1 688	-813,01%	-721,10%
Electricity	–	(21 780)	(42 222)	(48 356)	54,96%	12,69%
Waste Management	–	15 404	15 194	15 021	-2,55%	-1,15%
Housing	–	(1 252)	(1 177)	(1 118)	-11,94%	-5,24%
Component A: sub-total	–	28 655	6 465	70 489	59,35%	90,83%
Waste Water (Stormwater Drainage)	–	–	–	–	#DIV/0!	#DIV/0!
Roads	–	(25 949)	(25 799)	(112 414)	76,92%	77,05%
Transport	–	–	–	–	#DIV/0!	#DIV/0!
Component B: sub-total	–	(25 949)	(25 799)	(112 414)	76,92%	77,05%
Planning	–	(1 382)	(1 204)	(571)	-142,20%	-111,01%
Local Economic Development	–	(1 436)	(1 348)	(185)	-677,50%	-629,85%
Component B: sub-total	–	(2 818)	(2 552)	(755)	-273,10%	-237,88%
Planning (Strategic & Regulatary)	–	–	–	–	#DIV/0!	#DIV/0!
Local Economic Development	–	–	–	–	#DIV/0!	#DIV/0!
Component C: sub-total	–	–	–	–	#DIV/0!	#DIV/0!
Community & Social Services	–	(16 096)	(17 039)	(30 686)	47,55%	44,47%
Enviromental Proctection	–	–	–	–	#DIV/0!	#DIV/0!
Health	–	–	–	–	#DIV/0!	#DIV/0!
Security and Safety	–	(9 156)	(10 115)	(10 496)	12,77%	3,63%
Sport and Recreation	–	(9 437)	(10 112)	(13 302)	29,05%	23,98%
Corporate Policy Offices and Other	–	–	–	–	#DIV/0!	#DIV/0!
Component D: sub-total	–	(34 689)	(37 266)	(54 484)	36,33%	31,60%
Total Expenditure	–	(34 801)	(59 152)	(97 164)	64,18%	39,12%
In this table operational income is offset agaist operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						*T 5.1.2*

COMMENT ON FINANCIAL PERFORMANCE:

Delete Directive note once comment is completed – the financial performance of the municipality shows deficit of R51m, which amongst others results from non-cash items such as depreciation and bad debts. Employees related costs reflects a very concerning over-expenditure that results from excessive overtime and leave encashment that were paid out during the financial year under review.

T5.1.3

5.2 GRANTS

Grant Performance						
						R' 000
Description	2012/13	2013/14			2013/14 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	155 720	158 081	158 081	145 081	-8,2%	-8,2%
Equitable share	153 983	156 191	156 191	143 191	-8,3%	-8,3%
Municipal Systems Improvement	790	890	890	890	0,0%	0,0%
Department of Water Affairs	–	–	–	–		
Levy replacement	–	–	–	–		
EPWP	947	1 000	1 000	1 000	0,0%	0,0%
FMG	1 500	1 550	1 550	1 550	0,0%	0,0%
Provincial Government:	–	–	–	–		
Health subsidy	–	–	–	–	0,0%	0,0%
Housing	–	–	–	–	0,0%	0,0%
Ambulance subsidy	–	–	–	–	0,0%	0,0%
Sports and Recreation	–	–	–	–	0,0%	0,0%
EPWP		–	–	–	0,0%	0,0%
District Municipality:	–	–	–	–		
[insert description]						
Other grant providers:	–	–	–	–		
[insert description]						
Total Operating Transfers and Grants	155 720	158 081	158 081	145 081		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. *Full list of provincial and national grants available from published gazettes.*						*T 5.2.1*

COMMENT ON OPERATING TRANSFERS AND GRANTS:

Note: For Municipal Infrastructure Grant (MIG) see T5.8.3. For other conditional transfers including Neighborhood Development Partnership Grant (NDPG); Public Transport Infrastructure and Systems Grant (PITS) see ***Appendix L****.*

Apart from the Equitable Share, the municipality received its grant allocations in full.

An amount of R4 million was offset from the November 2013 equitable share transfer. The mount was in relation to R 2.6 million in MIG funds, where the National Treasury had only approved a rollover of R 21.4 million instead of the requested R24 million, R 561 000 in relation to the MSIG and R 791 000 in relation to EPWP.

Further to the above an additional amount of R 8.9 million was offset from the 2013/14 Equitable share allocation due to unspent funds from the 2011/12 financial year.

T 5.2.2

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 2012/13	Actual Grant 2013/14	2013/14 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
A - "Project 1"						N/A
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Foreign Governments/Development Aid Agencies						
A - "Project 1"						N/A
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Private Sector / Organisations						
A - "Project 1"						N/A
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Provide a comprehensive response to this schedule						*T 5.2.3*

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

The municipality did not receive any conditional grants outside of those listed in DoRA.

T 5.2.4

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The municipality is currently using the BAUD system from PWC as the main asset management software. The municipality is currently looking at utilizing the e Venus asset management module.

Assets Management falls directly under the Supply Chain Management unit in Ngwathe Local Municipality therefore asset management is not a section on its own.

For the 2013/14 financial year the asset office was able to update the asset register with all additions and disposals, undertake verifications of both fixed moveable assets, barcode assets and update inventory lists in each

office. During this period the asset office was strengthened by allocating an additional official and two interns, these additions have improved the effectiveness of the asset office.

It is envisaged that the vacant positions within the asset Management unit will be filled once the revised Municipal organogram has been approved by council.

The asset Management policy was reviewed, updated and subsequently adopted by council on 31 May 2014 for implementation in the 2014/15 financial year.

T 5.3.1

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2013/14				
Asset 1				
Name	Heilbron Upgrade Sewer Treatment Works			
Description	Sewer			
Asset Type	Infrastrucure			
Key Staff Involved	PMU, Technical Services and Finance			
Staff Responsibilities				
	2010/11	2011/12	2012/13	2013/14
Asset Value	0	0	0	R 10 832 532,55
Capital Implications	WIP			
Future Purpose of Asset	Sewer Treatment			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policy			
Asset 2				
Name	Vredefort Sewer Connection 1625 Houses			
Description	Sewer			
Asset Type	Infrastrucure			
Key Staff Involved	PMU, Technical Services and Finance			
Staff Responsibilities				
	2010/11	2011/12	2012/13	2013/14
Asset Value	0	0	0	R 6 499 999,97
Capital Implications	WIP			
Future Purpose of Asset	Sewer Treatment - Eradication service backlogs			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policy			
Asset 3				
Name	Parys upgrade of Sewer Treatment Works			
Description	Sewer			
Asset Type	Infrastrucure			
Key Staff Involved	PMU, Technical Services and Finance			
Staff Responsibilities				
	2010/11	2011/12	2012/13	2013/14
Asset Value	0	0	0	R 2 685 943,36
Capital Implications	WIP			
Future Purpose of Asset	Sewer Treatment			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policy			
				T 5.3.2

COMMENT ON ASSET MANAGEMENT:

Due to the increasing backlogs in line with the increasing population in the municipal area, sanitation was earmarked as a priority for the 2013/14 financial year. The projects outlined in the table above were approved not only with the aim of eradicating backlogs but also to ensure that the municipality's revenue base increases and the sewer networked is adequately maintained to ensure that it has the capacity to deal with the growing population.

Currently the projects are reflected as "work in progress" (WIP) on the asset register. Project files for each of the projects are kept and safeguarded in the filing strong room. Duplicates of the files have been given to SCM unit and the PMU unit.

T 5.3.3

Repair and Maintenance Expenditure: 2013/14				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	20220	21215	20460	-1%
				T 5.3.4

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

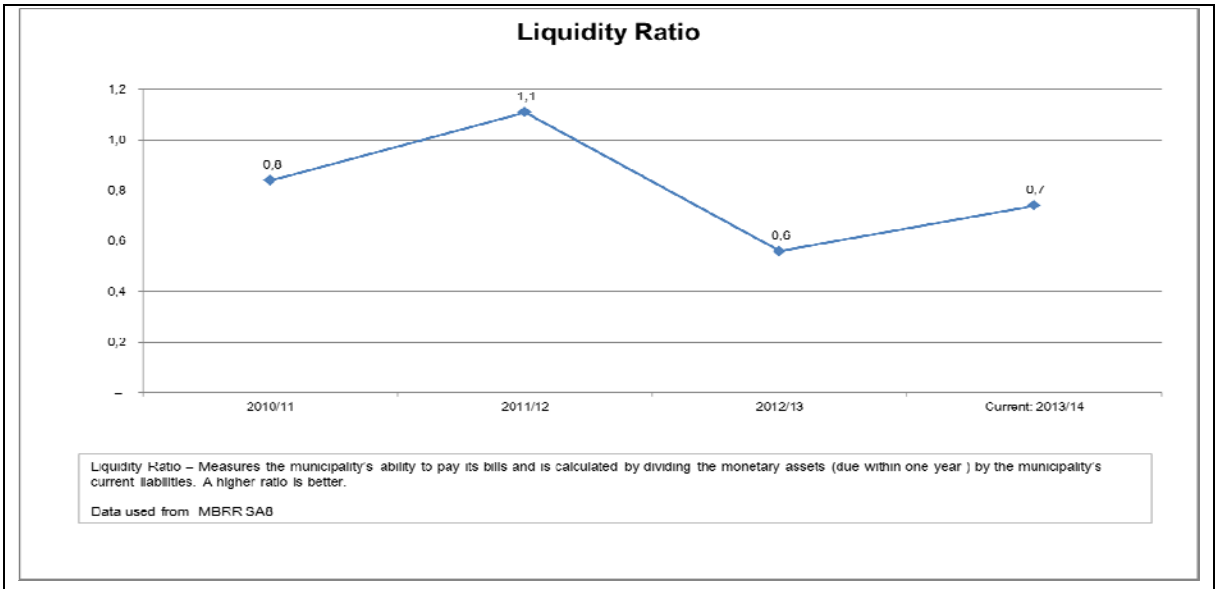
The original repairs and maintenance budget for the 2013/14 financial year amounted to R20.2 million. The repairs and maintenance budget was 4.8 per cent of both the total original and adjustment expenditure budgets.

Total repairs and maintenance are made up of repairs and maintenance of Buildings, Equipment, Furniture and equipment, infrastructure, Radio equipment, refuse dump, plant and equipment and vehicles.

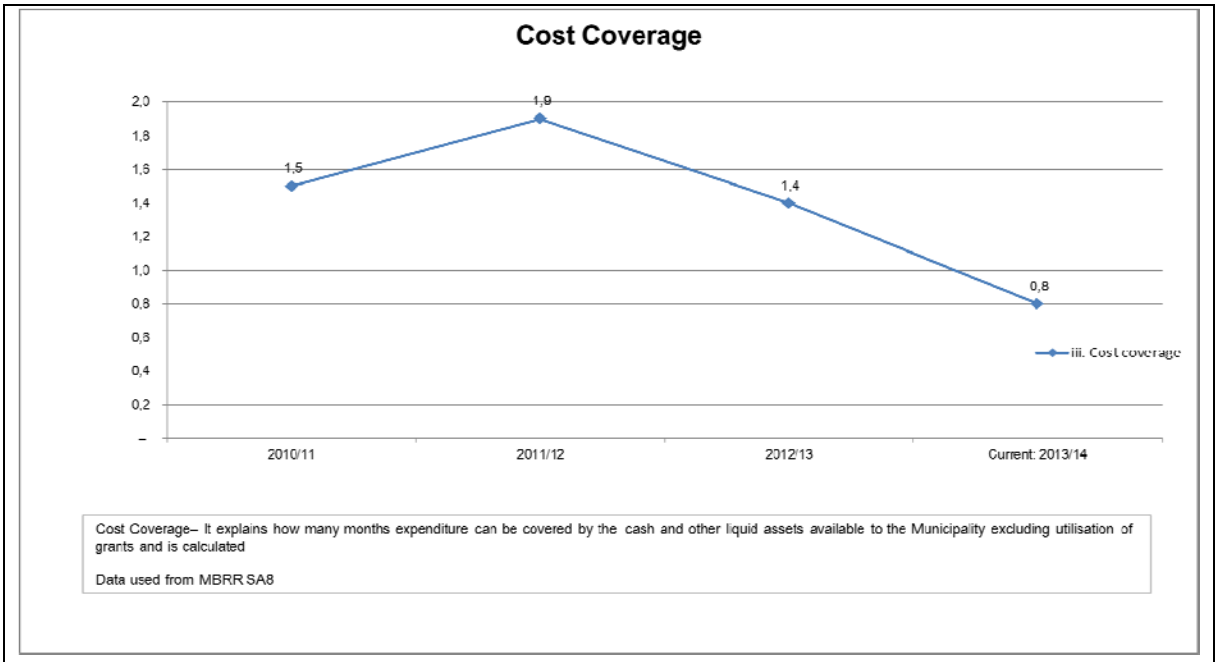
Expenditure on Repairs and maintenance for the 2013/14 financial year amounted to R 20.5 million or 96.4 per cent of the adjusted budget.

T 5.3.4.1

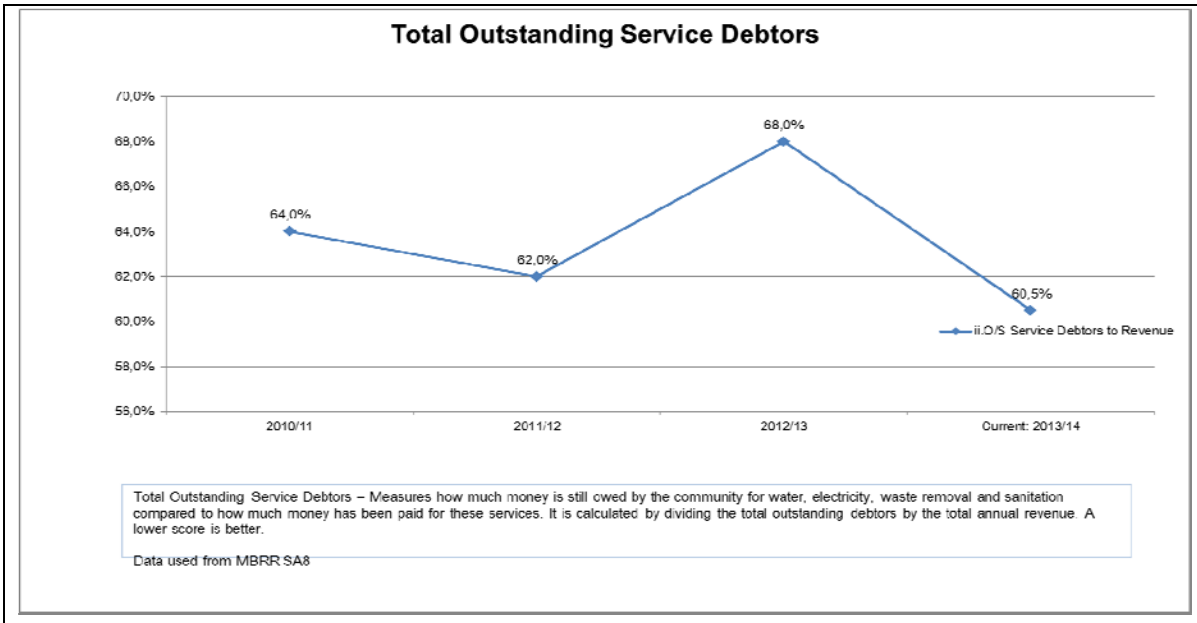
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



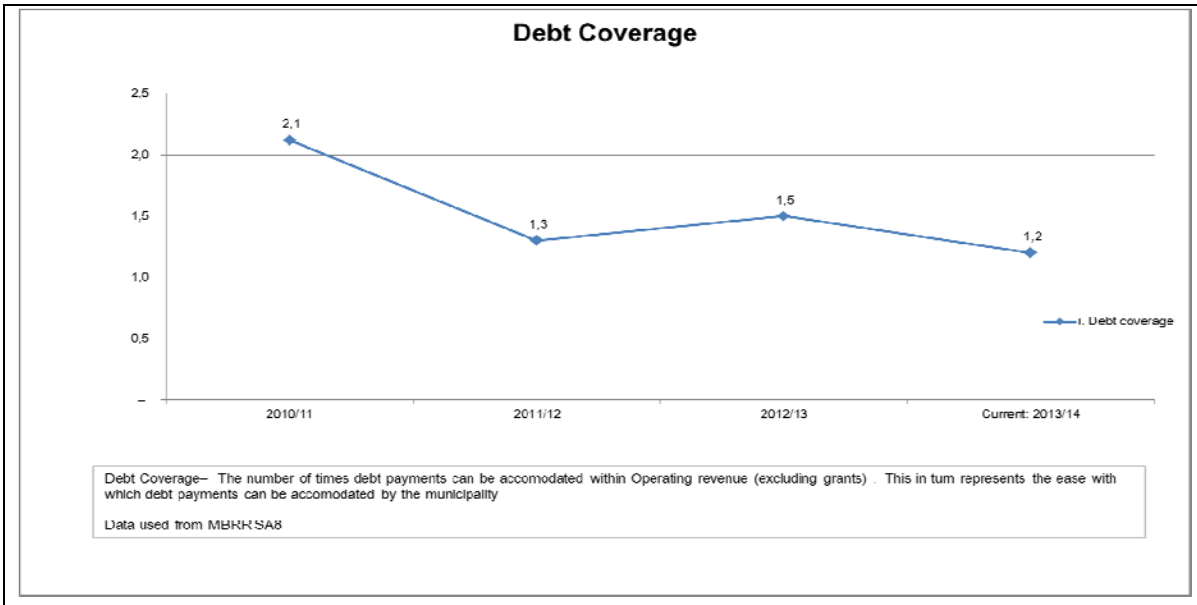
T 5.4.1



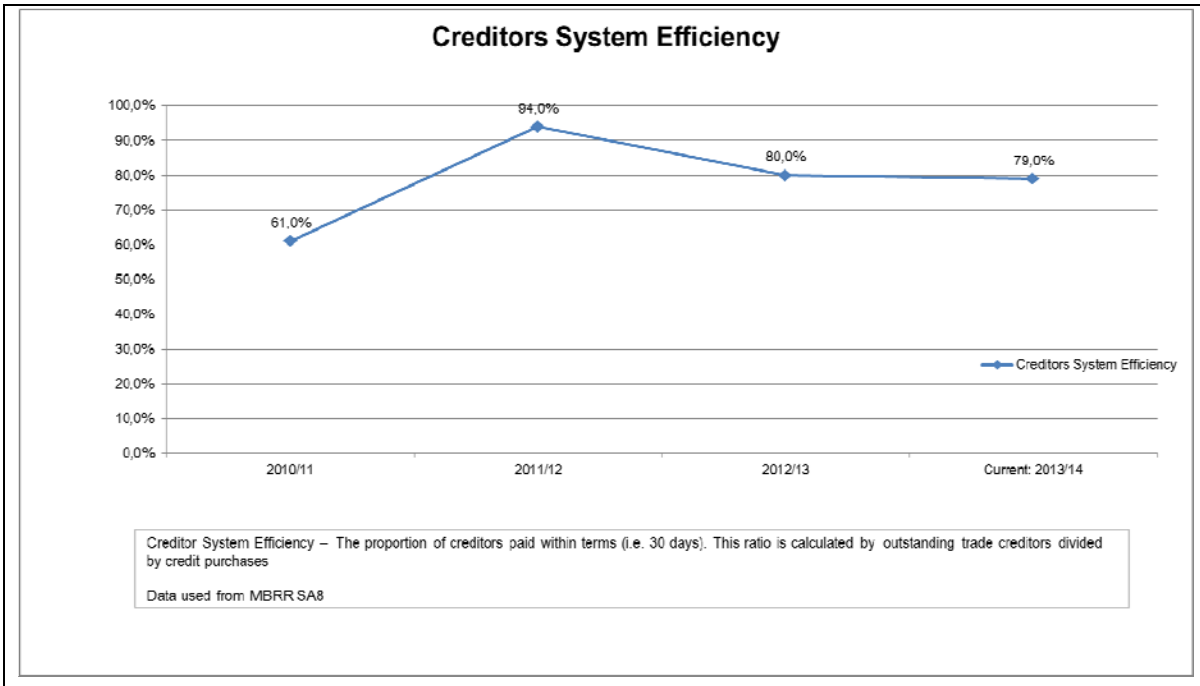
T 5.4.2


Total Outstanding Service Debtors
70,0%
68,0%
66,0%
64,0%
62,0%
60,0%
58,0%
56,0%
64,0%
62,0%
68,0%
60,5%
2010/11
2011/12
2012/13
Current: 2013/14
ii.O/S Service Debtors to Revenue
Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.
Data used from MBRR SA8

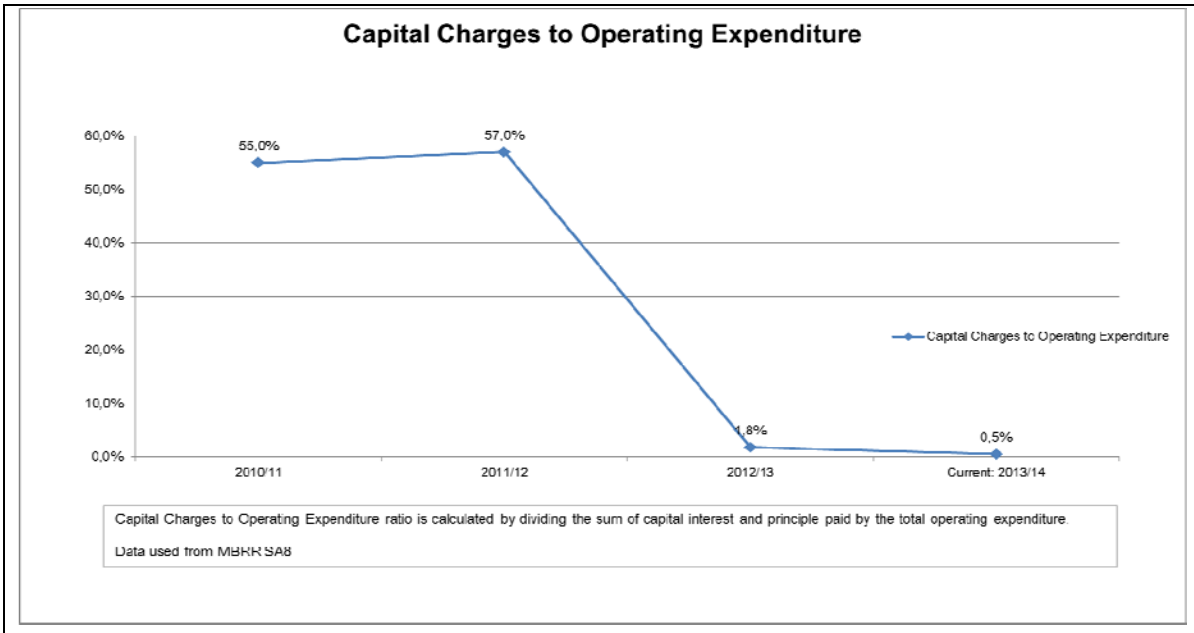
T 5.4.3


Debt Coverage
2,5
2,0
1,5
1,0
0,5
–
2,1
1,3
1,5
1,2
2010/11
2011/12
2012/13
Current: 2013/14
i. Debt coverage
Debt Coverage– The number of times debt payments can be accomodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accomodated by the municipality
Data used from MBRR SA8

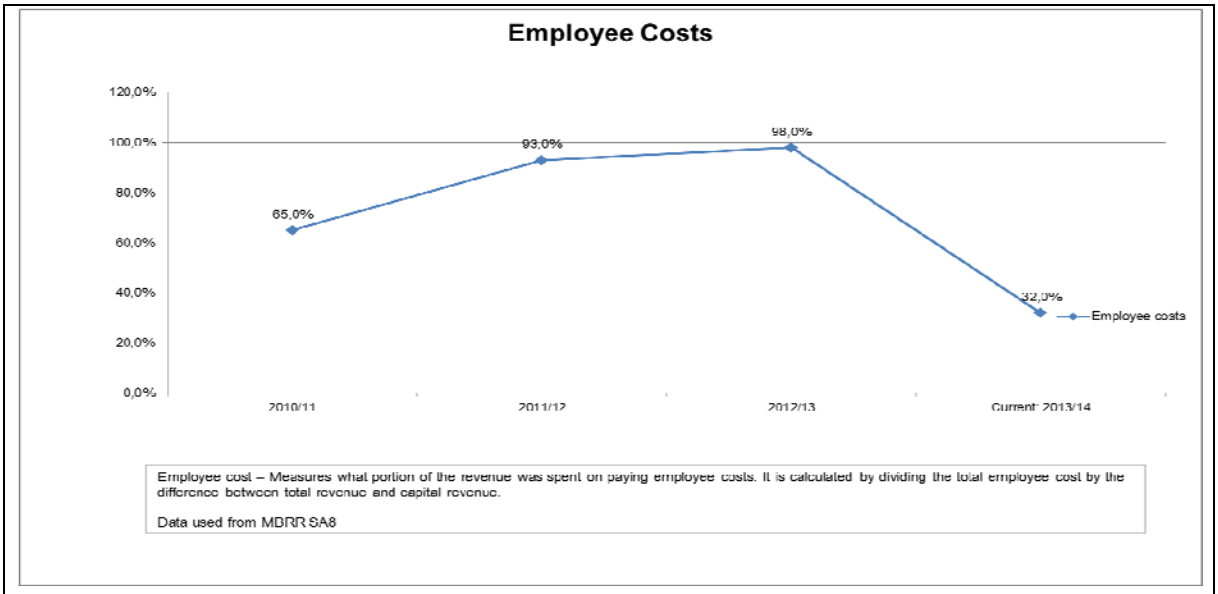
T 5.4.4


Creditors System Efficiency
100,0%
90,0%
80,0%
70,0%
60,0%
50,0%
40,0%
30,0%
20,0%
10,0%
0,0%
61,0%
94,0%
80,0%
79,0%
2010/11
2011/12
2012/13
Current: 2013/14
Creditors System Efficiency
Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases
Data used from MBRR SA8

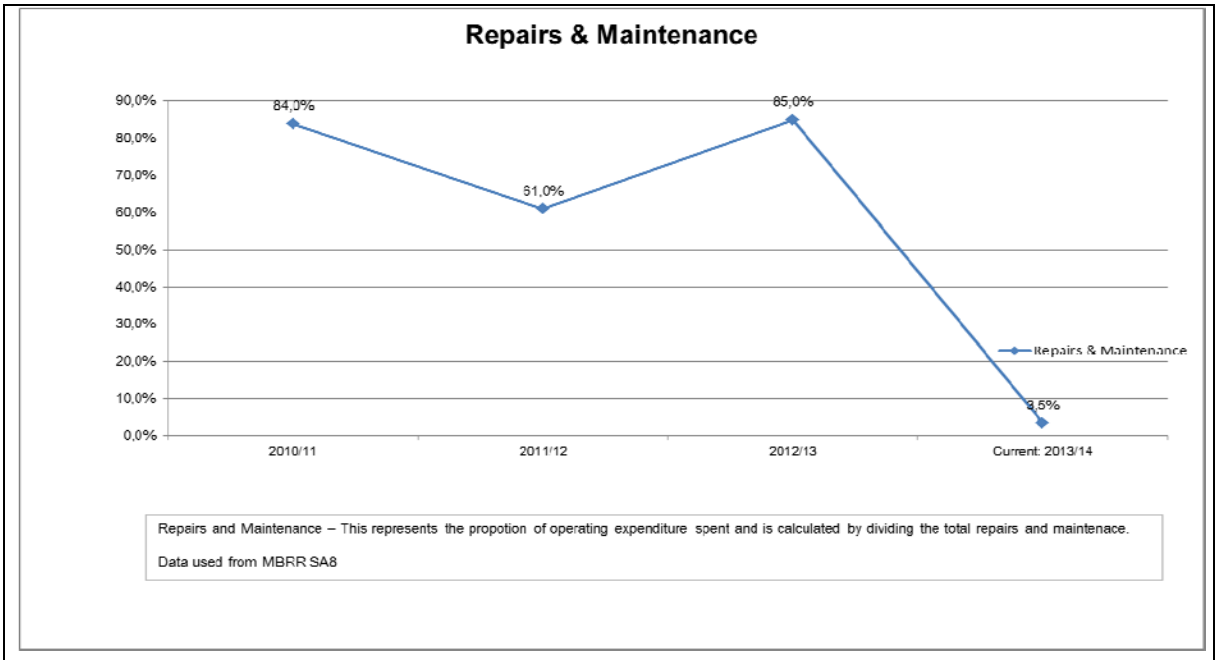
T 5.4.5


Capital Charges to Operating Expenditure
60,0%
50,0%
40,0%
30,0%
20,0%
10,0%
0,0%
55,0%
57,0%
1,8%
0,5%
2010/11
2011/12
2012/13
Current: 2013/14
Capital Charges to Operating Expenditure
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.
Data used from MBRR SA8

T 5.4.6


Employee Costs
120,0%
100,0%
80,0%
60,0%
40,0%
20,0%
0,0%
65,0%
93,0%
98,0%
32,0%
Employee costs
2010/11
2011/12
2012/13
Current: 2013/14
Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.
Data used from MBRR SA8

T 5.4.7


Repairs & Maintenance
90,0%
80,0%
70,0%
60,0%
50,0%
40,0%
30,0%
20,0%
10,0%
0,0%
84,0%
61,0%
85,0%
3,5%
Repairs & Maintenance
2010/11
2011/12
2012/13
Current: 2013/14
Repairs and Maintenance – This represents the propotion of operating expenditure spent and is calculated by dividing the total repairs and maintenace.
Data used from MBRR SA8

T 5.4.8

COMMENT ON FINANCIAL RATIOS:

Liquidity Ratio - Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better. The liquidity graph indicates that the municipality is not liquid enough to meet its current liabilities. At the very least the municipality should have a ratio of 1:1 but currently the graph indicates that the municipality has a ratio of 0.7:1.

Cost Coverage - explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated. As per the cost coverage ratio graph shows that the municipality has a cost coverage ratio of 0.8. This is very concerning as it effectively means that the municipality does not have enough cash to cover one month's expenditure, this clearly indicates that the municipality is heavily reliant on grants.

Total outstanding service debtors - Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better. For the 2013/14 financial year, the municipality had total outstanding service debtors amounting to 60.5 percent of the total annual revenue. The graph indicates that the municipality's ability to collect is improving, during the period 2012/13 to 2013/14 the total outstanding service debtors decreased from 68 per cent to 60.5 per cent.

Debt coverage - The number of times debt payments can be accommodated within Operating revenue (excluding grants). This in turn represents the ease with which debt payments can be accommodated by the municipality. The graph indicates that the municipality can manage the debt payment but it must be noted that the municipality did not raise any new loans during the past three financial years.

Creditor's system efficiency - The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases. At this point in time the municipality is able to pay 79 percent of its creditors within 30 days as per the MFMA. The municipality has developed a demand management system that will assist the municipality in tracking all requisitions and payments and will further align the requisitions to money available for a particular month.

Capital charges to operating expenditure - Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.
As mentioned above the municipality has not raised any new loans in the past three financial years and therefore do not have large capital amounts outstanding. The graph indicates that the capital charges to operating expenditure ratio for the municipality are at 0.5 percent.

Employee Costs - Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue. The employee cost ratio suggests that 32 percent of revenue for the 2013/14 financial year was used to pay employee costs.

Repairs and Maintenance - This represents the proportion of operating expenditure spent. Repairs and Maintenance amounted to 3.5 percent of the actual operating expenditure.

T 5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

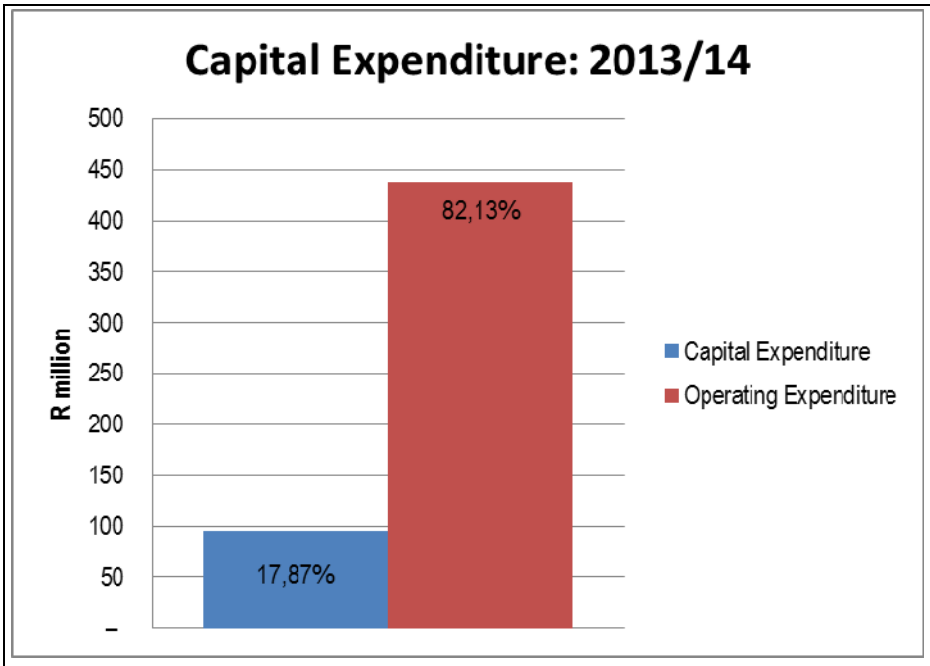
INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. 2013/14 Capital expenditure was funded from grants. Component B deals with capital spending indicating where the funding comes from and from the table below it is clear that during the 2013/14 financial year the municipality was able to spend the available funding as planned.

The five largest projects are highlighted on table T5.7.1 below

T 5.5.0

5.5 CAPITAL EXPENDITURE



T 5.5.1

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: 2012/13 to 2013/14						R' 000
Details	2012/13	2013/14				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	0	0	0	0	#DIV/0!	#DIV/0!
Public contributions and donations	0	0	0	0	#DIV/0!	#DIV/0!
Grants and subsidies	0	67889	89289	89289	31,52%	31,52%
Other	0	6000	6000	0	0,00%	-100,00%
Total	0	73889	95289	89289	#DIV/0!	#DIV/0!
Percentage of finance						
External loans	#DIV/0!	0,0%	0,0%	0,0%	#DIV/0!	#DIV/0!
Public contributions and donations	#DIV/0!	0,0%	0,0%	0,0%	#DIV/0!	#DIV/0!
Grants and subsidies	#DIV/0!	91,9%	93,7%	100,0%	#DIV/0!	#DIV/0!
Other	#DIV/0!	8,1%	6,3%	0,0%	#DIV/0!	#DIV/0!
Capital expenditure						
Water and sanitation	0	33289	54689	54689	64,29%	64,29%
Electricity	0	20000	20000	20000	0,00%	0,00%
Housing	0	0	0	0	#DIV/0!	#DIV/0!
Roads and storm water	0	9602	9602	9602	0,00%	0,00%
Other	0	10998	10998	10998	0,00%	0,00%
Total	0	73889	95289	95289	#DIV/0!	#DIV/0!
Percentage of expenditure						
Water and sanitation	#DIV/0!	45,1%	57,4%	57,4%	#DIV/0!	#DIV/0!
Electricity	#DIV/0!	27,1%	21,0%	21,0%	#DIV/0!	#DIV/0!
Housing	#DIV/0!	0,0%	0,0%	0,0%	#DIV/0!	#DIV/0!
Roads and storm water	#DIV/0!	13,0%	10,1%	10,1%	#DIV/0!	#DIV/0!
Other	#DIV/0!	14,9%	11,5%	11,5%	#DIV/0!	#DIV/0!
						T 5.6.1

COMMENT ON SOURCES OF FUNDING:

The municipality's main source of funding for capital projects is grans from National Government. The main grants received by the municipality are the Municipal Infrastructure Grant (MIG) and the Integrated National Electrification Grant (INEG).

There were no variations from the adjusted 2013/14 budget.

T 5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
					R' 000
Name of Project	Current: 2013/14			Variance: Current 2013/14	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Vredefort: Sewer connections for 1625 stands	13 491	13 810	13 810	-2%	-2%
B - Mokwallo:Construction of water connection for 1625 houses	6 556	9 323	9 320	-42%	-42%
C - Parys: Upgrading of sewer treatment works	1 157	7 947	7 947	-587%	-587%
D - Heilbron: Upgrading of sewer treatment works	8 540	7 974	7 624	11%	7%
E - Parys: Refurbishment & upgrading of water treatment works phase 3	12 700	6 072	6 564	48%	52%
** Projects with the highest capital expenditure in Year 0*					
A - Vredefort: Sewer connections for 1625 stands					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
B - Mokwallo:Construction of water connection for 1625 houses					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
C - Parys: Upgrading of sewer treatment works					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
D - Heilbron: Upgrading of sewer treatment works					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
E - Parys: Refurbishment & upgrading of water treatment works phase 3					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
					T 5.7.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The backlogs experienced by the municipality are the result of migration by residents from rural areas to urban areas; the disaggregation of families into more than one housing unit; and the cost of renewing and upgrading core infrastructure.

The table below indicates the service backlogs within the municipal area. From the statistics presented it is evident that although the municipality still has backlogs, it is making significant strides in addressing these backlogs.

During the 2013/14 financial year the municipality had allocated a total amount of R 69.3 million to address these backlogs. Included in the R 69.3 million was a rollover amounting to R 21.4 million which was wholly directed to the acceleration of the bucket eradication program. The source of funding to address the backlogs was the Municipal Infrastructure Grant (MIG).

T 5.8.1

Service Backlogs as at 30 June 2014				
				Households (HHs)
	*Service level above minimun standard		**Service level below minimun standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	32873	98%	1483	2%
Sanitation	29722	90%	3434	10%
Electricity	34613	95%	2000	5%
Waste management	30881	95%	1500	5%
Housing		%		%

*% HHs are the service above/below minimum starndard as a proportion of total HHs. 'Housing' refrs to * formal and ** informal settlements.* *T 5.8.2*

Municipal Infrastructure Grant (MIG)* Expenditure 2013/14 on Service backlogs						
						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust-ments Budget	
Infrastructure - Road transport	3602	3602	3602	0%	0%	
Roads, Pavements & Bridges	3602	3602	3602	0%	0%	
Storm water						
Infrastructure - Electricity						
Generation						
Transmission & Reticulation						
Street Lighting						
Infrastructure - Water	19693	19693	19693	0%	0%	
Dams & Reservoirs						
Water purification	19693	19693	19693	0%	0%	
Reticulation						
Infrastructure - Sanitation	13596	34996	34996	0%	0%	
Reticulation						
Sewerage purification	13596	34996	34996	0%	0%	
Infrastructure - Other						
Waste Management						
Transportation						
Gas						
Other Specify:	10998	10998	10998	0%	0%	
Sports and Recreation	8604	8604	8604	0%	0%	
Pmu	2394	2394	2394	0%	0%	
Total	47889	69289	69289	0%	0%	
** MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.*						*T 5.8.3*

Chapter 5

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow management is an important and critical function, if this function is correctly executed it can drive the municipality towards achieving financial stability and increase the viability of the municipality as a going concern.

During the 2013/14, the municipality's cash flow was under serious if not crippling pressure which highlighted the municipality's increasing dependence on grants. In an effort to relieve the pressure, management introduced a demand management system in the form of procurement plans from all departments which clearly indicate timeframes quantities and motivation as to why that particular department need to procure goods incorporated in the procurement plans.

Further to this, the municipality developed a revenue enhancement strategy, it must be noted that the strategy does not only focus on revenue but also the municipality's expenditure patterns.

T 5.9

5.9 CASH FLOW

Cash Flow Outcomes				R'000
Description	2012/13	Current: 2013/14		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	228 633	187 547	172 142	274 710
Government - operating	203 137	159 631	159 631	149 737
Government - capital		67 889	89 289	
Interest	21 443	6 588	3 738	30 359
Dividends		1	1	
Payments				
Suppliers and employees	(429 748)	(341 148)	(354 157)	(439 050)
Finance charges	(3 274)	–	–	(1 827)
Transfers and Grants	–	(38 526)	(18 526)	–
NET CASH FROM/(USED) OPERATING ACTIVITI	20 191	41 981	52 117	13 929
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	(65)	–	–	(122)
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments	–	–	–	1 541
Payments				
Capital assets	(1 342)	(73 889)	(95 289)	(47 661)
NET CASH FROM/(USED) INVESTING ACTIVITIE	(1 407)	(73 889)	(95 289)	(46 242)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans		6 000	6 000	–
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	(2 032)	(2 900)	(2 900)	(6 615)
NET CASH FROM/(USED) FINANCING ACTIVITIE	(2 032)	3 100	3 100	(6 615)
NET INCREASE/ (DECREASE) IN CASH HELD	16 753	(28 808)	(40 072)	(38 928)
Cash/cash equivalents at the year begin:	29 900	46 315	46 315	46 653
Cash/cash equivalents at the year end:	46 653	17 507	6 243	7 725
Source: MBRR A7				*T 5.9.1*

5.10 BORROWING AND INVESTMENTS

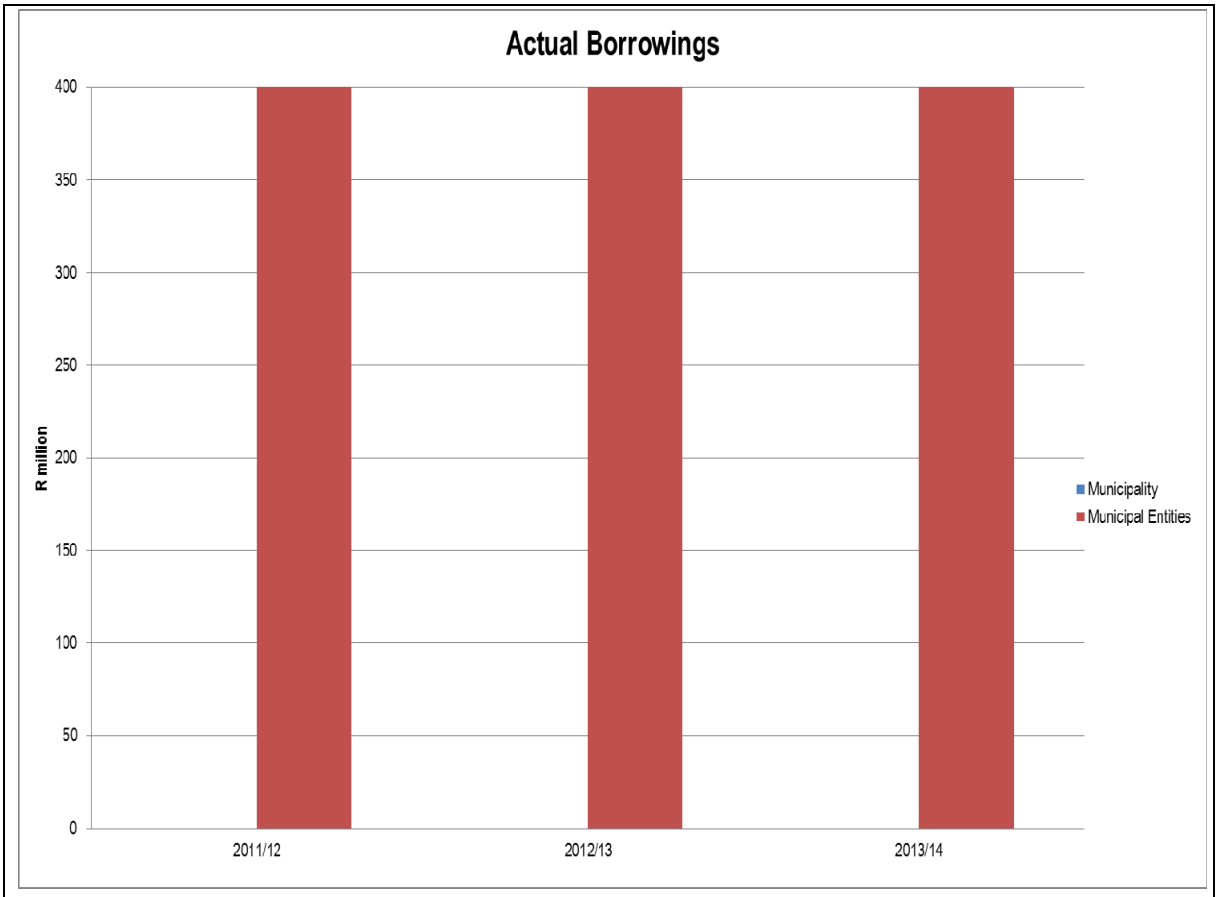
INTRODUCTION TO BORROWING AND INVESTMENTS

Delete Directive note once comment is completed – The municipality has a loan with DBSA restructured in 2010. The loan amount was R 15 790 597 with a nominal fixed rate of 10% per annum. The municipality however has a debit order to an amount R 800 000 quarterly and has not entered into a loan agreement in the 2013/13 financial year.

T 5.10.1

Actual Borrowings: 2011/12 to 2013/14			
			R' 000
Instrument	2011/12	2012/13	2013/14
Municipality	0	0	0
Long-Term Loans (annuity/reducing balance)	22951719	15919863	9305243
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	22 951 719	15 919 863	9 305 243
Municipal Entities			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	0	0	0

T 5.10.2


Actual Borrowings
R million
400
350
300
250
200
150
100
50
0
2011/12
2012/13
2013/14
Municipality
Municipal Entities

T 5.10.3

Municipal and Entity Investments			
			R' 000
Investment* type	2011/12	2012/13	2013/14
	Actual	Actual	Actual
Municipality			
Securities - National Government	0,00	0,00	0,00
Listed Corporate Bonds	0,00	0,00	0,00
Deposits - Bank	29900012,00	46747113,00	7990198,00
Deposits - Public Investment Commissioners	0,00	0,00	0,00
Deposits - Corporation for Public Deposits	0,00	0,00	0,00
Bankers Acceptance Certificates	0,00	0,00	0,00
Negotiable Certificates of Deposit - Banks	0,00	0,00	0,00
Guaranteed Endowment Policies (sinking)	0,00	0,00	0,00
Repurchase Agreements - Banks	0,00	0,00	0,00
Municipal Bonds	0,00	0,00	0,00
Other	410532,00	430776,00	445546,00
Municipality sub-total	30310544	47177889	8435744
Municipal Entities			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	0	0	0
Consolidated total:	30310544	47177889	8435744
			T 5.10.4

COMMENT ON BORROWING AND INVESTMENTS:

From the table above it is evident that the municipality is servicing its debt accordingly. The outstanding debt has reduced from R 22.9 million in the 2011/12 financial year to R 9.3 million as at the end of the 2013/14 financial year.

The municipality has, in its approved 2014/15 budget, planned to pay a further R 3.2 million.

Municipal investments are largely made up of conditional grants, as at the end of the 2013/14 financial year, the municipality had R 7.9 million in unspent MIG funds that were invested in call accounts. The unspent amount was committed at the end of the financial year and was subsequently spent in July 2015.

Other investments held by the municipality are:

- Shares acquired prior to the promulgation of the Municipal Investments Regulations
- Investment policies acquired prior to the promulgation of the Municipal Investments Regulations
- Two FNB deposit accounts

The municipality is contemplating cashing in or closing the above mentioned investments and investing the realised amount in one investment account.

T 5.10.5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

PPP is government venture to engage private entities to improve the lives of our people. During the year under review the Municipality forged some of the following PPP:

*Sasol mining
*Bloem Water
*De Beer Mines
*Mafuri Consulting

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The current SCM unit consists of two sections; that is the fleet and Asset management Section.

1. Assets and fleet subsection: which consists of four personnel, including the Acting Assets and Fleet Assistant Manager, reporting directly to the SCM Manager.

- Assets: consist of two Assets Officers
- Fleet: consist of two Fleet officer

The SCM unit consists of (7) six personnel, including the SCM Manager and intern.

2. The SCM officials did undergo an SCM and Assets and Fleet Management courses, but the provided training is not sufficient hence the arrangement is made with the FS Provincial Treasury and Leaning and Development Manager to intervene and assist in capacitating SCM officials further.

3. There are no councilors involved in the SCM processes

4. Action undertaken in order to undertake training and workshop for all the SCM officials

5. The MM, CFO and Learning and Development Manager were made aware of the newly required minimum competency levels, which all the SCM personnel must attain before a due period, the matter is still pending.

6. The municipality appointed external service provider and received a support from MFIP in order to assist the municipality on the issues of compliance and implementation of the SCM process.

Provide a brief narrative that describes the progress made by your municipality in developing and implementing policies and practices in compliance with the guidelines set out in SCM Regulations 2005.

-The municipality reviewed its policy with the assistance of FS Provincial Treasury in order to ensure that the policy is in line with the SCM Model Policy and covers the guidelines set out in SCM Regulations of 2005.

State the number of Supply Chain officials that have reached the prescribed levels required for their positions (See MFMA Competency Regulation Guidelines) and state the number of prescribed officials that are yet to reach the necessary competency levels; and set out any remarks made in the previous Auditor-General's report or the report for year 2012/13/14 concerning the quality of Supply Chain Management and detail the remedial action taken. Note comments made in Chapter 2, under section 2.8.

-The SCM Manager is the only person having a competency level within the SCM, two officials have been identified to undergo a competency level course during 2014/2015 financial year.
- The Auditor General recommended that all finance officials must undergo a competency level course as required by National Treasury.

T 5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

T 5.13.1

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 2013/14

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA S45 states that the results of performance measurement… must be audited annually by the Auditor-General

Auditor Report Status*:
Auditor-General was engaged to audit the 2013-2014 financial statements of the Ngwathe Local Municipality set out on pages 1 to 78, which comprise the statement of financial position as at 30 June 2014, the statements of financial performance, changes in net assets and cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information.

Auditor-General's responsibility
Was to express an opinion on the financial statements based on conducting the audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing. Because of the matters described in the Basis for disclaimer of opinion paragraphs, however, AG was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

T 6.0.1

6.1 AUDITOR GENERAL REPORTS YEAR 1 - 2013/14

Auditor-General Report on Financial Performance: year 2013 – 14

The report of the Auditor-General on the financial statements and other legal and regulatory requirements of Ngwathe local municipality for the year ended 30 June 2014 indicates that after auditing the 2013/14 financial statements and other legal and regulatory requirement, the AG could not provide a basis for an audit opinion (Disclaimer of opinion).

The above essentially means that the AG did not obtain sufficient appropriate audit evidence to provide a basis for an opinion.

As per the attached report, the disclaimer of opinion was mainly due to shortcomings from the municipality's side in the following areas;

Non-Compliance Issues	Remedial Action to be Taken
♦ **Material misstatements not corrected** o **Property, plant and equipment** Sufficient appropriate audit evidence regarding property, plant and equipment could not be obtained, as the municipality did not provide me with a complete and updated fixed asset register, documentation to support the cost prices/valuations of assets and evidence that all the requirements outlined in SA Standards of GRAP, GRAP 17 *Property, plant and equipment* (GRAP 17) were complied with. **Occurred in prior year – YES** **Current Year - Prior year** R1 094 612 165 - R1 135 041 595 o Payables from exchange transactions The municipality did not recognise all outstanding amounts meeting the definition of a liability in accordance with SA Standards of GRAP, GRAP 1, *Presentation of financial statements*. As the municipality did not maintain adequate records of outstanding payments for goods and services received but not yet paid at year-end, I was not able to determine the full extent of the misstatement in payables from exchange transactions as it was impracticable to do so.I was unable to obtain sufficient appropriate audit evidence regarding payables from exchange transactions as the municipality	Management should implement proper controls to ensure that all additions and disposals/impairments are accurately recorded and reviewed by an independent senior official. Management should also perform timely physical verification of assets and ensure that the verification process is overseen by an independent senior official. **Remedial Action to be Taken on Payables from exchange transactions** This matter should be investigated and corrective steps should be taken to ensure that are adequate controls in place for the management of payables. The nature and extend of the corrective measures implemented need to be reported to the Office of the Auditor-General

was unable to provide me with detailed listings of accrued leave pay, unallocated receipts and trade payables and supporting documentation for journals. I was unable to confirm payables from exchange transactions by alternative means. **Occurred in prior year – YES** **Current Year - Prior year** R341 458 462 - R260 091 982 o Service charges I was unable to obtain sufficient appropriate audit evidence about revenue received, as internal controls were not established over the collection thereof prior to the initial entry into the financial records. I was unable to confirm service charges income by alternative means. **Occurred in prior year – YES** **Current Year - Prior year** R315 690 954 - R256 157 344 o Receivables from exchange transactions The municipality did not assess its consumer receivables from exchange transactions for impairment as required by SA Standards of GRAP, GRAP 104, Financial instruments (GRAP 104). I was unable to determine the correct value of consumer receivables from exchange transactions as it was impracticable to do so. In addition, I was unable to obtain sufficient appropriate audit evidence regarding consumer receivables from exchange	**Remedial Action to be Taken on Service charges** Management should implement proper record keeping that is complete, relevant and accurate for the users of the financial statements **Remedial Action to be Taken on Receivable from Exchange Transaction.** Management should design and Implement controls to ensure that revenue and receivables are accurate and complete.

transactions, as the municipality was not able to provide me with indigent applications and proof of subsequent payments by debtors. Furthermore I was unable to confirm bad debts disclosed of R43 330 759 as the municipality was not able to provide me with council resolution supporting the write off. I was unable to confirm consumer receivables from exchange transactions and bad debts by alternative means. **Occurred in prior year – YES** **Current Year - Prior year** R236 493 169 - R140 450 950 o Receivables from non-exchange transactions The municipality did not assess its receivables from non-exchange transactions for impairment as required by SA Standard of GRAP, GRAP 104, *Financial instruments*. I was not able to determine the correct value of receivables from non-exchange transactions as it was impracticable to do so. In addition, I was unable to obtain sufficient appropriate audit evidence regarding receivables from exchange transactions, No rateable valuation reconciliation was performed and not all properties in valuation roll could be traced to debtors. **Occurred in prior year – YES** **Current Year - Prior year** R89 572 868 - R65 557 568 o **Unauthorized Expenditure**	**Remedial Action to be taken on Receivable from non-exchange transaction.** This matter should be investigated and corrective steps should be taken to ensure that the municipality adheres to all the accounting standards. The nature and extent of the corrective measures implemented need to be reported to the office of the Auditor General.

The municipality did not include particulars of unauthorised expenditure in the notes to the financial statements as required by section 125(2)(d)(i) of the MFMA. The municipality overspent on its approved budget, resulting in unauthorised expenditure being understated by R89 244 872 (2013: R187 185 223). In addition, I was unable to obtain sufficient appropriate audit evidence that all instances of unauthorised expenditure has been disclosed, as the municipality did not provide me with a breakdown of the surplus/deficit per vote and supporting documentation was not submitted for all the relevant expenditure transactions. I was unable to confirm unauthorised expenditure by alternative means. **Occurred in prior year – YES** **Current Year - Prior year** R 89 244 872 - R 187 185 223 o Accumulated Surplus I was unable to obtain sufficient appropriate audit evidence that management has properly managed and accounted for accumulated surplus due to the lack of proper substantiating accounting records. I was unable to confirm the accumulated surplus by alternative means. **Occurred in prior year – YES** **Current Year - Prior year** R1 169 674 105 - R1 234 906 084	**Remedial Action to be Taken** **Remedial Action to be Taken on Unaothorised Expenditure** Actual expenditure for the year should be compared with budgeted expenditure for the year per vote and any

o Employee cost During 2013, I was unable to obtain sufficient appropriate audit evidence regarding employee cost due to unexplained differences between the financial system, the financial statements and the salary system. I was unable to confirm employee cost by alternative means. **Occurred in prior year – YES** **Current Year - Prior year** R- - R 177 184 026 o General expenses The municipality did not record general expense transactions in the correct financial year and against the correct expense type as required by GRAP 1. Consequently, general expenses was overstated by R15 863 742 (2013: R9 756 452), during 2013 repairs and maintenance understated by R7 920 985, during 2013 contracted services overstated by R489 737 andaccumulated surplus overstated by R15 863 742 (2013: R2 325 204). Interest of R26 980 082 were incorrectly recognised under bulk purchases. Subsequently, bulk purchases are overstated by R26 980 082 and interest paid are understated by R26 980 082. In addition, I was unable to obtain sufficient appropriate audit evidence regarding general expenses as the municipality could not submit all the relevant tender documents. I could not confirm general expenses by alternative means **Occurred in prior year – YES** **Current Year - Prior year**	overspending on individual votes should be disclosed as unauthorised expenditure. Any instances identified where any expenditure allocated to a vote was not included in the amount budgeted for the vote should be disclosed as unauthorised expenditure in the annual financial statements. **Remedial Action to be Taken on Accumulated serplus** This matter should be investigated and corrective steps should be taken to ensure that the municipality adheres to all the accounting standards. The nature and extent of the corrective measures implemented need to be reported to the Office of the Auditor-General. **Remedial Action to be Taken on Employee cost** Management should implement controls to ensure compliance with the applicable laws and regulations

R128 816 156 - R164 575 396 o Investment property The municipality did not assess the fair value of investment property as required by SA Standards of GRAP, GRAP 16 *Investment Property*, due to adequate controls not being implemented to perform the fair value evaluation. I was not able to determine the correct value of investment property as it was impracticable to do so. In addition, I was unable to obtain sufficient appropriate audit evidence regarding investment property, as the municipality did not provide me with a complete and updated investment property register, support for valuations and classification as an investment property. I was unable to confirm investment property by alternative means. Consequently, I was unable to determine whether any adjustment relating to investment property stated at R152 718 000 (2013: R152 718 000) in note 10 to the financial statements was necessary. **Occurred in prior year – YES** **Current Year - Prior year** R152 718 000 - R152 718 000 o Bulk purchases During 2013, the municipality did not recognise expenses in the correct financial year as required by SA Standards of GRAP, GRAP 1, *Presentation of financial statements*. Consequently, bulk purchases is overstated by R31 847 145, property, plant and equipment is	**Remedial Action to be Taken on General expenses** Management should ensure that oversight responsibility is exercised by ensuring all laws and regulations applicable are adhered to **Remedial Action to be Taken on Investment property** Management should measure investment properties at fair value on 30 June 2014 in accordance with GRAP 16. In future, management should implement controls to ensure that they comply with the requirements of GRAP.

understated by R1 117 900 and accumulated surplus is overstated by R30 729 245. **Occurred in prior year – YES** **Current Year - Prior year** R- - R31 847 145 o Unspent conditional grants I was unable to obtain sufficient appropriate audit evidence that management has properly managed and accounted for unspent conditional grants for the current year due to a lack of proper substantiating accounting records. I was unable to confirm the unspent conditional grants by alternative means. **Occurred in prior year – No** **Current Year - Prior year** R105 686 274 - R- o Bulk purchases During 2013, I was unable to obtain sufficient appropriate audit evidence regarding bulk purchases as the municipality could not provide me with the relevant payment vouchers and invoices. I could not confirm these expenses by alternative means. **Occurred in prior year – Yes** **Current Year - Prior year**	**Remedial Action to be Taken on Bulk purchases** Management should implement controls to ensure that outstanding creditors are followed up before the 30 days payment regulation as stated in MFMA 65 (2). **Remedial Action to be taken on Unspent conditional grants**

R- - R128 865 523 o Depreciation and amortization I was unable to obtain sufficient appropriate regarding depreciation and amortisation due to the limitation placed on my audit of property, plant and equipment. I was unable to confirm depreciation and amortisation by alternative means. **Occurred in prior year – Yes** **Current Year - Prior year** R101 495 200 - R97 194 922 o Fruitless and wasteful expenditure The municipality did not include particulars of fruitless and wasteful expenditure in the notes to the financial statements as required by section 125(2)(d)(i) of the MFMA. The municipality paid interest on late payments, resulting in fruitless and wasteful expenditure being understated by R27 788 901. I was unable to confirm the fruitless and wasteful expenditure by alternative means. Consequently, I was unable to determine whether any further adjustment to irregular expenditure stated at R76 094 715 in note 44 to the financial statements was necessary. **Occurred in prior year – No** **Current Year - Prior year** R76 094 715 - R-	This matter should be investigated and corrective steps should be taken to ensure that the municipality submit all the requested documentation. The nature and extend of the corrective measures implemented need to be reported to the Office of the Auditor-General. **Remedial Action to be taken on Bulk Purchases** Management should implement controls to ensure that outstanding creditors are followed up before the 30 days payment regulation as stated in MFMA 65 (2). **Remedial Action to be taken on Depreciation and amortization** Management should implement controls to ensure that the depreciation charges used are in accordance with the applicable policies and procedure manuals. **Remedial Action to be taken on Fruitless and wasteful Expenditure** Management should ensure that all financial information and schedules on which the annual financial statements are

o Impairment loss The municipality did not assess items of property, plant and equipment for impairment indicators as required by SA Standards of GRAP, GRAP 21, *Impairment of non-cash-generating assets* and SA Standards of GRAP, GRAP 26, *Impairment of cash-generating assets.* The municipality also did not subject its receivables to an impairment review as required by SA Standard of GRAP, GRAP 104, *Financial instruments.* As the municipality did not maintain an adequate asset register and records regarding receivables, I was unable to determine the full extent of the understatement in impairment loss. **Occurred in prior year – Yes** **Current Year - Prior year** Not Determined - Not Determined	based are updated timeously. All supporting documentation (e.g. invoices and VAT statements of account) should be reviewed to identify instances of fruitless and wasteful expenditure. Management should ensure that each department reviews the financial information disclosed in the annual financial statements that is relevant to their department. Issues identified by the relevant departments should be communicated to the preparer of the annual financial statements for correction. The recoverability of fruitless and wasteful expenditure should be disclosed. **Remedial Action to be taken on Impairment loss** Management should implement the necessary controls to ensure that an impairment assessment is done regarding assets on an annual basis. This should be done by comparing assets recoverable and carrying amounts. This assessment should be reviewed by an independent senior official.
o Irregular expenditure The municipality did not include particulars of irregular expenditure in the notes to the financial statements as required by section 125(2)(d)(i) of the MFMA. The municipality incurred expenditure in contravention of the municipal supply chain management (SCM) regulations, resulting in irregular expenditure being understated by R71 017 377 (2013: R8 802 976). I was unable to confirm the irregular expenditure by alternative means **Occurred in prior year – Yes** **Current Year - Prior year**	**Remedial Action to be taken on Irregular Expenditure** This matter should be investigated and corrective steps should be taken to ensure that the municipality complies to the SCM regulations. The nature and extend of the corrective measures implemented need to be reported to the Office of the Auditor-General. Management should ensure that each department reviews the financial information disclosed in the annual financial statements that is relevant to their department. Issues identified by the relevant departments should be communicated to the preparer of the annual financial statements for correction. The reasons for SCM regulation 36 deviations should be carefully considere

R71 017 377 - R8 802 976 o Commitments I was unable to obtain sufficient appropriate audit evidence regarding commitments due to an inadequate contract management system, an incomplete contract register and contracts that could not be submitted. I was unable to confirm the balances by alternative means. **Occurred in prior year – Yes** **Current Year - Prior year** R96 477 784 - R40 872 092 o Finance cost **During 2013**, the municipality did not correctly classify finance cost expenditure in accordance with SA Standards of GRAP, GRAP 1, *Presentation of financial statements,* as these expenses were incorrectly allocated to other expense items. Consequently, finance cost expenditure as disclosed in note 30 is understated by R31 116 832, bulk purchases as disclosed in note 31 are overstated by R17 979 711, general expenses as disclosed in note 33 are overstated by R12 849 376, contracted services as disclosed in note 32 are overstated by R255 342, employee related cost as disclosed in note 26 is overstated by R32 403 and the corresponding accumulated surplus is overstated by R3 894 310. **Occurred in prior year – Yes** **Current Year - Prior year** R- - R31 116 832	prior to authorisation being given. **Remedial Action to be taken on Commitments** This matter should be investigated and corrective steps should be taken to ensure all commitments are disclosed and supported by adequate supporting documentation. The nature and extend of the corrective measures implemented need to be reported to the Office of the Auditor-General. **Remedial Action to be Taken on Finance Cost** **Remedial Action to be taken on Prior period error** **Remedial action to be taken on Prior period error** This matter should be investigated and corrective steps should be taken to ensure that the municipality address all the prior year audit report matters. The nature and extend of the corrective measures implemented need to be reported to the Office of the Auditor-General.

o Prior period error During 2013, the municipality did not disclose adjustments made to prior year balances correctly in the statement of changes in net assets as required by SA Standards of GRAP, GRAP 1, *Presentation of financial statements*. The effect of prior period errors were not split between the effect on the current year's balances and the prior year opening balance. I was unable to confirm prior period errors by alternative means. **Occurred in prior year – Yes** **Current Year - Prior year** R- - R17 540 296	**Remedial Action to be taken on cash Flow statement** This matter should be investigated and corrective steps should be taken to ensure that the municipality adheres to all the accounting standards. The nature and extent of the corrective measures implemented need to be reported to the Office of the Auditor-General
o Cash flow statement I was unable to obtain sufficient appropriate audit evidence regarding the cash flow statement due to the limitations placed on my audit of various components of the financial statements as well as differences between my calculations and amounts disclosed in the cash flow statement. I was unable to confirm the cash flow statement by alternative means. Consequently, I was unable to determine whether any adjustment relating to the cash flow statement in the financial statements was necessary. **Occurred in prior year – Yes** **Current Year - Prior year** Undeterminable - Undeterminable	**Remedial Action to be taken on Distribution Losses** Management should design and implement procedures to identify material losses experienced during the year and ensure that these are disclosed in the annual financial statements **Remedial Action to be taken on VAT** This matter should be investigated and corrective steps should be taken to ensure that the municipality submit all the requested documentation. The nature and extend of the corrective measures implemented need to be reported to the Office of the Auditor-General.

o Distribution losses The municipality did not include particulars of material losses in the notes to the financial statements as required by section 125(2)(d)(i) of the MFMA. As the municipality did not maintain adequate records of water and electricity consumption and purchases, I was unable to determine the full extent of the understatement for the current and corresponding financial years as it was impracticable to do so. **Occurred in prior year – Yes** **Current Year - Prior year** Undeterminable - Undeterminable o VAT I was unable to obtain sufficient appropriate audit evidence that management has properly managed and accounted for VAT for the current year due to the status of the accounting records. I was unable to confirm the VAT receivable by alternative means. **Occurred in prior year – No** **Current Year - Prior year** R38 571 940 - R- o Retirement benefit obligations I was unable to obtain sufficient appropriate audit evidence that management has properly managed and accounted for Retirement benefit obligations for the current year due to the status of the accounting records. I was unable to confirm the Retirement benefit obligations by alternative means. **Occurred in prior year – No** **Current Year - Prior year**	**Remedial Action to be taken on Retirement benefit obligation** Management should implement controls to ensure that the post-retirement benefits are correctly stated in the AFS **Remedial Action to be taken on Budget Information** This matter should be investigated and corrective steps should be taken to ensure that the municipality adheres to all the accounting standards. The nature and extent of the corrective measures implemented need to be reported to the Office of the Auditor-General **Remedial Action to be taken on Risk Management** This matter should be investigated and corrective steps should be taken to ensure that the municipality adheres to all the accounting standards. The nature and extent of the corrective measures implemented need to be reported to the Office of the Auditor-General.

R57 813 000 - R- o Budget information The municipality did not disclose the budgeted information correctly in the notes to the financial statements as required by the Standards of Generally Recognised Accounting Practice, GRAP 24, *Presentation of Budget Information in Financial Statements*. Consequently, the financial statements are not fairly presented. **Occurred in prior year – No** **Current Year - Prior year** Undeterminable - R- o Risk Management The municipality did not disclose the requirements for financial assets, past due but not impaired, expenditure to price risks, classification of liquidity risk, credit risk and interest rate risks, nature and carrying amount of financial and non-financial assets and maturity analysis for any borrowings as required by Standards of Generally Recognised Accounting Practice, GRAP 104, *Financial Instruments*. I was unable to confirm the disclosure to risk management. Consequently, I was unable to determine whether any adjustments to risk management disclosure as disclosed in the financial statements were necessary. **Occurred in prior year – No** **Current Year - Prior year** Undeterminable - R- o Other disclosures The municipality did not disclose the particulars as required by Section 125 of the MFMA. (**Occurred in prior year – No** **Current Year - Prior year** Undeterminable - R- ♦ **Material misstatements corrected** o **Irregular expenditure** The disclosure note was subsequently completed. **Occurred in prior year – No** **Current Year - Prior year** R20 827 059 - R- o **Fruitless and wasteful expenditure** The disclosure note was subsequently completed. **Occurred in prior year – No** **Current Year - Prior year**	**Remedial Action to be taken on Other Disclosures** Management should ensure disclosure of all items required by the MFMA and that there are sufficient review procedures in place to ensure that disclosures which are missed are identified. Management should also ensure that the disclosures are based on accurate data.

R76 094 715 - R- o **Prior period errors** The disclosure note was subsequently completed. **Occurred in prior year – No** **Current Year - Prior year** R10 4 923 236 - R-	

Auditor-General Report on Service Delivery Performance: Year 2013 – 2014	
Audit Report Status: The report of the Auditor-General on the financial statements and other legal and regulatory requirements of Ngwathe local municipality for the year ended 30 June 2014 indicates that after auditing the 2013/14 financial statements and other legal and regulatory requirement, the AG could not provide a basis for an audit opinion (Disclaimer of opinion).	
Non-Compliance Issues	**Remedial Action Taken**
♦ No performance reviews were performed by the municipality, Control activities are not properly designed or implemented, The performance of key personnel are not assessed.	♦ Management drafted a comprehensive action plan to address the findings on the AG report and management letter. ♦ Management established the audit steering committee that addresses the findings by the Auditor- General on its annual audit and findings by the internal audit unit. ♦ Progress is monitored on weekly bases bay the audit steering committee.
♦ Performance audit – Weaknesses identified on water and sanitation services No information with regards to 2014/2015 performance indicators and target was provided. The non-compliance with section 16 of the Water Services Act could have an impact on service delivery. The non-compliance with laws and regulations will resulted that the national target of 100% access to water and sanitation by 2014 as set in the Government delivery agreement will not be met.	♦ Management drafted a comprehensive action plan to address the findings on the AG report and management letter. ♦ Management established the audit steering committee that addresses the findings by the Auditor- General on its annual audit and findings by the internal audit unit. ♦ Progress is monitored on weekly bases bay the audit steering committee.
♦ Financial Plan not included in the IDP, the municipality did not include a financial plan as part of the Integrated Development plan, Non-compliance occurred as a result of oversight from management side. Non-compliance to with applicable laws and regulations	♦ Management drafted a comprehensive action plan to address the findings on the AG report

	and management letter. ♦ Management established the audit steering committee that addresses the findings by the Auditor- General on its annual audit and findings by the internal audit unit. ♦ Progress is monitored on weekly bases bay the audit steering committee.
♦ The municipality does not have processes in place for regulating the reporting to council, other political structures and staff of the municipality and the public and other organs of state. The PMS framework adopted during the financial year under review is not detailed enough. Non-compliance occurred as a result of oversight from management side. Non-compliance with applicable laws and regulations	♦ Management drafted a comprehensive action plan to address the findings on the AG report and management letter. ♦ Management established the audit steering committee that addresses the findings by the Auditor- General on its annual audit and findings by the internal audit unit. ♦ Progress is monitored on weekly bases bay the audit steering committee.
♦ The municipality did not set Key Performance Indicators (KPIs), including input indicators, output indicators and outcome indicators, in respect of each of the development priorities and objectives set out in the IDP. Non-compliance occurred as a result of oversight from management side. Non-compliance with applicable laws and regulations.	♦ Management drafted a comprehensive action plan to address the findings on the AG report and management letter. ♦ Management established the audit steering committee that addresses the findings by the Auditor- General on its annual audit and findings by the internal audit unit. ♦ Progress is monitored on weekly bases bay the audit steering committee.
♦ The SDBIP of the municipality was not approved with 28 days after the approval of the budget. It was further noticed that the SDBIP for the 2013/14 financial year was yet approved. Control activities are not properly designed or implemented. Non-compliance with applicable laws and regulations.	♦ Management drafted a comprehensive action plan to address the findings on the AG report and management letter. ♦ Management established the audit steering committee that addresses the findings by the Auditor- General on its annual audit and findings by the internal audit unit. ♦ Progress is monitored on weekly bases bay the audit steering committee
♦ The municipality did not submit the SDBIP to the National Treasury and the relevant Provincial Treasury. Control activities were not properly designed and implemented. Non-compliance to Local Government: Municipal Budget and reporting regulations (GN 393 of 2009) Reg 20(2)(b)	♦ Management drafted a comprehensive action plan to address the findings on the AG report and management letter. ♦ Management established the audit steering committee that addresses the findings by the Auditor- General on its annual audit and findings by the internal audit unit. ♦ Progress is monitored on weekly bases bay the

	audit steering committee
♦ It was found that the SDBIP applicable to the 2013/14 financial year was not approved. It was also confirmed that the SDBIP was not make public. Management did not review and monitor compliance with applicable laws and regulations. Non-compliance with applicable laws and regulations.	♦ Management drafted a comprehensive action plan to address the findings on the AG report and management letter. ♦ Management established the audit steering committee that addresses the findings by the Auditor- General on its annual audit and findings by the internal audit unit. ♦ Progress is monitored on weekly bases bay the audit steering committee
♦ No portfolio of evidence for the reported performance information could be submitted for auditing purposes. Furthermore, it was found that the data definitions and the population of each indicator/target is not defined. The portfolio of evidence is not maintained by the municipality on a on-going basis. Limitation of scope	♦ Management drafted a comprehensive action plan to address the findings on the AG report and management letter. ♦ Management established the audit steering committee that addresses the findings by the Auditor- General on its annual audit and findings by the internal audit unit. ♦ Progress is monitored on weekly bases bay the audit steering committee
	♦ Management drafted a comprehensive action plan to address the findings on the AG report and management letter. ♦ Management established the audit steering committee that addresses the findings by the Auditor- General on its annual audit and findings by the internal audit unit. ♦ Progress is monitored on weekly bases bay the audit steering committee
	T 6.1.2
Internal Audit findings on the current financial year: 2013 – 2014	
FUNCTIONALITY AND EFFECTIVENESS The unit has the following officials in place as per the municipal structure to effectively adhere to its annual audit program of 2013 – 2014 financial year: o Audit Manager – post filled;	

o Audit Officer – Post filled; o Audit Officer – Post filled; o Audit Officer – Post vacant; and o One intern posted through finance department to assist with work load. The following documents were prepared and approved by the Audit Committee for the unit to function effectively and for the municipality to achieve its objective of obtaining a better opinion for the current financial year. o Internal Audit Charter; o Three years rolling plan; and o Annual Internal Audit program.	

Annual Internal Audit program for the financial year 2013 – 2014

Audits have been conducted quarterly on the following projects listed underneath as per the annual internal audit program. Findings, risks and recommendations were also communicated and discussed with the relevant and affected departments in the Steering Committee Meetings held during the current financial year of 2013/2014. The internal audit unit reported to the audit committee the work that has been done and the outcome. The Audit Committee had four meetings held during the financial year as follows: Special meeting : 29 August 2013;
Ordinary meeting : 25 January 2014;
Ordinary meeting : 03 June 2014; and
Ordinary meeting : 30 June 2014.

For the first quarter the internal audit unit conducted the following projects:
- o Payroll and Human Resource Management; and
- o Performance Information System.

For the second quarter the internal audit conducted the following projects:
- o Debtors (accounts receivable); and
- o Income - Rates, General, Trading and Economic services.

For the third quarter the internal audit conducted the following projects:
- o Purchasing and expenditure;
- o Income - Receipts, receipts through the post and direct deposits; and
- o Performance Information System.

For the fourth quarter the internal audit conducted the following projects:
- o Creditors (accounts payable);
- o Value Added Tax;
- o Fixed assets;
- o Draft mid-term report and the fourth quarter will be finalized and issued this week starting from the 07 July 2014.

Audit conducted during the *first (1st)* quarter of the current financial year 2013-2014 are :

- o **Audit of Payroll and Human Resources Management:**
- o Implementation of salary increase - 2013/14 financial year.
- o Employees remunerated on post levels and salary notches which do not exist in the new SALGBC salary scales.
- o Travelling allowances according to SALGBC motorcar scheme / calculations not available.
- o Home owner allowances paid to employees / information available to verify allowances.
- o Rent charged / valid lease agreements for municipal houses and flats.
- o Monthly approval of the payroll.
- o Leave application forms.

- Accumulated leave payments.
- Accumulated leave and long service bonus payments.
- Attendance registers.
- Overtime.
- Employees head count.
- Personnel files.
- Late payment / non-payment of statutory obligations.
- Implementation of salary increase / salary notches reviewed by a senior official in the finance directorate.
- **Audit of Performance Information System for the first quarter:**
- Nature of performance management system.
- Adoption of performance management system.
- Setting of key performance indicators.
- General key performance indicators.
- Review of key performance indicators.
- Setting of performance targets.
- Monitoring, measurement and review of performance.
- **Adhoc Assignment - Computer Information Systems:**

Effectiveness of the Information Technology Unit in the municipality for proper functionality:

- Security policy in place;
- IT steering committee;
- IT strategic plan in place;
- Formal policy to anti-virus protection; and
- System Generated report of employees with access to EFT function.
- Disaster recovery plan.

Audit conducted during the *second (2nd)* quarter of the current financial year 2013-2014 are :

- **Audit of Debtors (accounts receivable):**
- Credit control and debt collection.
- Credit control and debt collection policy effectively applied;
- Electricity supply suspended to debtors in Arrear;
- Long outstanding debtor accounts handed over for collection / steps taken to recover outstanding debt; and
- Outstanding debt of indigent debtors written off.
- Debtor accounts with credit balances.
- Electricity and water consumption overcharged on debtor accounts.
- Meter readings taken / incorrect:

- Meter readings taken; and
- Incorrect meter readings.
- Sewerage charged for all debtor accounts with sewer system.
- Departmental debtor accounts cleared on a monthly basis.
- Indigent subsidy.
- Debtor sub-ledger reconciled to the debtors control account.
- Meter readings taken regularly.
- Debtor system updated with transfer of ownership.
- Prescribed debt written off during 2013/14 financial year.

- **Income - Rates, General, Trading and Economic services:**

- Checking if tariffs of the municipal services are correct on the E-Venus (levies could be incorrectly charged by the debtor system).
- Prepaid electricity tariffs on the different vending systems are correct.
- Proof that 2013-2014 tariffs changes have been advertised.
- Checking if tariff codes on debtor accounts are correct.
- Debtor categories on the e-Venus system set up in accordance with the debtor categories on council's approved tariffs structure.
- Changes effected to debtor master files reviewed and approved by a senior official.
- Revenue journals are completed with supporting documents.
- Reconciliation performed between total number of proclaimed erven in the municipality and total number of erven on the debtor system.
- Reconciliation of electricity and water consumption is performed.
- Reconciliation of ratable valuations performed.
- Reconciliation of rates levied and rates calculated on the valuations as per valuation roll performed.
- Property rates levied in accordance with property rates policy.
- Ratable properties exempted from property rates.
- Supplementary valuations of completed buildings performed.
- Building plan registers.
- Ineffective control over receipts for private prepaid electricity vending.

Internal Audit conducted on the current financial year: 2014 – 2015

1. **Investment**

- Checking whether Investment register is maintained / non-existent

- Checking whether monthly reconciliations is performed in respect of investments.

- Checking authorization documentation for the withdrawal of investments.

- Life policy linked to life of employee not working at municipality anymore [Ex.185] 09/10

2. **Long-Term Liabilities**

- Failure to comply with loan agreements
- Loan register not properly maintained / non-existent.
- Loan register not reviewed by a senior official.
- No repayments of loans been made.
- Bank overdraft facility utilized as a continuous and unlimited revolving credit.
- Loan register not reconciled to the general ledger control accounts.
- Finance leases not properly authorized.

3. <u>Income – rates,general,Trading and Economic services</u>

- Checking if tariffs of the municipal services are correct on the E-Venus (levies could be incorrectly charged by the debtor system).
- Prepaid electricity tariffs on the different vending systems are correct.
- Proof that 2014-2015 tariffs changes have been advertised.
- Checking if tariff codes on debtor accounts are correct.
- Debtor categories on the e-Venus system set up in accordance with the debtor categories on council's approved tariffs structure.
- Changes effected to debtor master files reviewed and approved by a senior official.
- Revenue journals are completed with supporting documents.
- Reconciliation performed between total number of proclaimed even in the municipality and total number of erven on the debtor system.
- Reconciliation of electricity and water consumption is performed.
- Reconciliation of ratable valuations performed.
- Reconciliation of rates levied and rates calculated on the valuations as per valuation roll performed.
- Property rates levied in accordance with property rates policy.
- Ratable properties exempted from property rates.
- Supplementary valuations of completed buildings performed.
- Building plan registers.

- Ineffective control over receipts for private prepaid electricity vending

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give *"full and regular"* reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *"what we do"*.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.

GLOSSARY

National Key performance areas	• Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of

	the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: *a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and* *b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	**Full Time / Part Time**	**Committees Allocated**	***Ward and/ or Party Represented**	**Percentage Council Meetings Attendance**	**Percentage Apologies for non-attendance**
	FT/PT			%	%
Magashule, M.E.	PT		Party Represented		
Mochela, M.J.	FT	Executive	Party Represented		
Ndlovu, N.	PT	Urban,Rural,Planning & Housing	Ward Represented (6)		
Vandisi, T.L.	PT	Executive	Ward Represented (8)		
Mbele, M.S.	PT	Public Safety	Ward Represented (9)		
Mofokeng, M.L.	PT	Social & Community Development	Ward Represented (10)		
Molotsane	PT	LLF	Ward Represented (11)		
Modiko, D.V.	PT	Infrastructure & LED	Ward Represented (12)		
Spence, D.	PT	Corporate Services	Ward Represented (13)		
De Beer, V.	PT	Finance & Budget	Ward Represented (14)		
La Cock, P.J.	PT	Infrastructure & LED	Party Represented		
Oliphant, M.A.	PT		Party Represented		
Mopedi, N.	PT	Executive	Party Represented		
Sothoane,C.E.	PT		Party Represented		
Mandelstam, G.P.	PT	Executive	Party Represented		
Vermaak, S.M.	PT	Corporate Services	Party Represented		
Schoonwinkel, A.	PT	Executive; Finance & Budget	Party Represented		
Sehume	PT		Party Represented		
Bocibo, C.	PT		Ward Represented (1))		
Ndayi, P.R.	FT		Ward Represented (3)		
Mofokeng, M.D.	PT	Infrastructure & LED	Ward Represented (4)		

Radebe, D.M.	PT	Corporate Services	Ward Represented (5)		
Mvulane, L.	PT	Public Safety	Ward Represented (7)		
Swart, A.P.	PT	Public Safety	Party Represented		
Seabi, I.M.	PT	Coroporate Services	Party Represented		
Serathi, M.	PT	Executive	Party Represented		
Van der Merwe, P.P.	PT	Finance & Budget	Party Represented		
Mehlo, L.R.	PT	Social & Community Development	Ward Represented (15)		
Khumalo, K.J.	PT	Infrastructure & LED	Ward Represented (16)		
Mofokeng, M.M.	PT	Urban,Rural,Planning & Housing	Party Represented		
Tladi, L.L.	PT	Corporate Services	Party Represented		
Ranthako, M.C.	PT	Finance & Budget	ward Represented (20)		
Motsumi, M.E.	PT		Party Represented		
Serfontein, C.	PT	Executive	Party Represented		
Masooa,M,J.	PT	Urban,Rural,Planning & Housing	Ward Represented (2)		
Choni, P.S.	PT	Public Safety	Ward Represented (17)		
Hlapane, M.L.	PT	Social & Community Development	Party Represented		
Molaphene, P.M.	PT	Urban,Rural,Planning & Housing	Party Represented		
Ramabitsa,I.M.	PT	Corporate Services	Ward Represented (19)		
Kruger, Sanet	PT	Executive	Ward Represented (18)		
Mareletse, Z.	PT		Party Represented		
Mafume	PT		Party Represented		
Mankoe, S.	PT		Party Represented		
*Note: * Councillors appointed on a proportional basis do not have wards allocated to them*					*T A*

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

COMMITTEES (OTHER THAN EXCO)	
Committee	**Purpose**
INFRASTRUCTURE & LED	Oversees (play an oversight role) the areas for which they are responsible
FINANCE & BUDGET	
URBAN, RURAL, PLANNING & HOUSING	
CORPORATE SERVICES	
SOCIAL & COMMUNITY DEVELOPMENT	
PUBLIC SAFETY & TRANSPORT	

MEMBERS OF THE PORTFOLIO COMMITTEES 2012-2013

INFRASTRUCTURE & LED COMMITTEE:

- Cllr TL Vandisi ***(Chairperson)*** (Parys)
- Cllr DV Modiko (Parys)
- Cllr MD Mofokeng (Heilbron)
- Cllr KJ Khumalo (Vredefort)
- Cllr C Bocibo (Heilbron)
- Cllr DI Spence (Parys)

FINANCE & BUDGET COMMITTEE:

- Cllr GP Mandelstam ***(Chairperson)*** (Parys)
- Cllr PP Van der Merwe (Heilbron)
- Cllr VE De Beer (Parys)
- Cllr MC Ranthako (Vredefort)
- Cllr EC Sothoane (Parys)
- Cllr A Schoonwinkel (Parys)

URBAN, RURAL, PLANNING & HOUSING COMMITTEE:

- Cllr N Mopedi ***(Chairperson)*** (Parys)
- Cllr MM Mofokeng (Vredefort)
- Cllr P Molaphene (Koppies)
- Cllr NA Sehume (Parys)
- Cllr Ndlovu (Parys)
- Cllr MJ Masooa (Koppies)

CORPORATE SERVICES COMMITTEE:

- Cllr M Serathi (Heilbron) ***(Chairperson)***
- Cllr SM Vermaak (Parys)
- Cllr RJ Molotsane (Parys)
- Cllr LL Tlali (Vredefort)
- Cllr DM Radebe (Heilbron)
- Cllr IM Ramabitsa (Edenville)
- Cllr I Seabi (Heilbron)

LLF COMMITTEE:

- Cllr GP Mandelstam (***Chairperson)***
- Cllr Van Der Merwe (Heilbron)
- Cllr M Serathi (Heilbron)

SOCIAL & COMMUNITY DEVELOPMENT COMMITTEE:

- Cllr C Serfontein ***(Chairperson)*** (Koppies)
- Cllr ML Mofokeng (Parys)
- Cllr LR Mehlo (Vredefort)
- Cllr ML Hlapane (Koppies)
- Cllr PS Choni (Koppies)
- Cllr AM Oliphant (Parys)

PUBLIC SAFETY & TRANSPORT:

- Cllr A Schoonwinkel ***(Chairperson)*** (Parys)
- Cllr LS Mvulane (Heilbron)
- Cllr AP Swart (Heilbron)
- Cllr ME Magashule (Parys)
- Cllr AM Mbele (Parys)

LLF SUB-COMMITTEE:

1. BASIC CONDITIONS COMMITTEE

- D Kamolane
- G Mandelstam **Cllr**
- OL Leeuw
- M Setiloane
- G Phele
- B McDermott

2. WORK PLACE SERVICE RESTRUCTURING COMMITTEE

- T Kgotlagomang
- PP van der Merwe **Cllr**
- S Motsitsi
- D Kock
- B McDermott

3. HUMAN RESOURCE DEVELOPMENT COMMITTEE

- M Serathi **Cllr**
- P Manzi
- S Motsitsi
- P Mahase
- Z Majivolo
- M Bopalamo
- B McDermott

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	**Director**
Finance	**Mr Lucas Leeuw**
Corporate	**Me Lydia Bopalamo**
Community	**Mr Lucky Kamolane**
Technical	**Mr Tebogo Malebane**

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

MUNICIPAL FUNCTIONS	Function Applicable to Municipality ✓ = Yes / X = No
Constitution Schedule 4, Part B functions:	✓
Air pollution	✓
Building regulations	✓
Child care facilities	✓
Electricity and gas reticulation	✓
Firefighting services	✓
Local tourism	✓
Municipal airports	✓
Municipal planning	✓
Municipal health services	X
Municipal public transport	X
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	✓
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	X
Stormwater management systems in built-up areas	✓
Trading regulations	✓
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	✓
Beaches and amusement facilities	✓
Billboards and the display of advertisements in public places	✓
, funeral parlours and crematoria	✓
Cleansing	✓
Control of public nuisances	X
Control of undertakings that sell liquor to the public	X

Facilities for the accommodation, care and burial of animals	✓
Fencing and fences	**X**
Licensing of dogs	**X**
Licensing and control of undertakings that sell food to the public	**X**
Local amenities	✓
Local sport facilities	✓
Markets	**X**
Municipal abattoirs	**X**
Municipal parks and recreation	✓
Municipal roads	✓
Noise pollution	**X**
Pounds	**X**
Public places	✓
Refuse removal, refuse dumps and solid waste disposal	✓
Street trading	✓
Street lighting	✓
Traffic and parking	✓

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	**Name of Ward Councillor and elected Ward committee members**	**Committee established (Yes / No)**	**Number of monthly Committee meetings held during the year**	**Number of monthly reports submitted to Speakers Office on time**	**Number of quarterly public ward meetings held during year**
1	Cllr Bocibo	Yes	5	5	5
2	Cllr Masooa	Yes	8	8	8
3	Cllr Ndayi	Yes	4	4	4
4	Cllr Mofokeng	Yes	2	2	2
5	Cllr Radebe	Yes	6	6	6
6	Cllr Ndlovu	Yes	7	7	7
7	Cllr Mvulane	Yes	7	7	7
8	Cllr Vandisi	Yes	1	1	1
9	Cllr Mbele	Yes	10	10	10
10	Cllr Mofokeng	Yes	7	7	7
11	Cllr Molotsane	Yes	1	1	1
12	Cllr Modiko	Yes	1	1	1
13	Cllr Spence	Yes	2	2	2
14	Cllr De Beer	Yes	5	5	5
15	Cllr Mehlo	Yes	7	7	7
16	Cllr Khumalo	Yes	5	5	5
17	Cllr Choni	Yes	7	7	7
18	Cllr Kruger/ Cllr La Cock	Yes	5	5	5
19	Cllr Ramabitsa	Yes	1	1	1
20	Cllr Ranthako	Yes	8	8	8
					T E

APPENDIX F. 1 – WARD TITLE: WARD NAME (NUMBER)

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in Year 0 (Full List at Appendix O)				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value
MIG/FS0623/S/08/10	Heilbron Waste Water Treatment Plant - The project entails renovations and upgrading of the plant from 4Ml/d to 6 Ml/d	Sep-07	Jun-15	R 56 430 000.00
MIG/FS0624/S/08/10	Parys Waste Water Treatment Plant - Project entails renovating and upgrading of the plant	Sep-07	Jul-14	R 85 500 000.00
MIG/FS0714/W/09/09	Parys Water Purification Plant - Works include renovations of the existing plant to optimize operations	Aug-06	Sep-14	R 29 895 732.00
MIG/FS0950/CF/12/13	Refurbishment of the Koppies tennis courts - The works include fencing of the existing courts, re-working the surface and renovation of the existing building	Oct-12	May-14	R 1 000 000.00
MIG/FS0951/CF13/13	Fencing of the Munmec sports facility - Fencing of the sports ground and combicourt utilizing a clear-vu fence	Oct-12	Feb-14	R 1 695 931.00
MIG/FS0952/CF/13/13	Construction of the sports complex in Heilbron - Project entails construction of a soccer pitch, combi-court and stormwater channel (gabions)	Feb-13	Apr-14	R 4 200 000.00
MIG/FS0953/CF/12/14	Refurbishment of the Schonkenville sports complex - Scope entails construction of a swimming pool, soccer pitch with an irrigation system, renovation of the existing building and construction of a combi-court.	Feb-13	Jul-14	R 4 622 112.00
MIG/FS0954/R,ST/13/14	Construction of an access road in Edenville - Construction of a paved road utilizing 80mm interlocking paving blocks	May-13	Feb-15	R 6 558 951.00
MIG/FS0955/R,ST/13/14	Construction of an access road in Koppies - Construction of a paved road utilizing 80mm interlocking paving blocks	May-13	Jul-14	R 6 558 951.00
MIG/FS0979/W/13/13	Construction of water meters for 1,625 in Mokwallo - Project involves inserting 1,625 water meters with necessary pipe-work and accessories	Apr-13	Feb-14	R 9 323 932.00
MIG/FS0999R,ST/13/14	Upgrading of low level bridge in Tumahole - Scope involves rehabilitation of the bridge structure and adjoining road, construction of gabions and mattresses, inserting handrails	Feb-14	Jun-15	R 4 184 222.00

	and cleaning of existing conduits			
MIG/FS0121/S/14/15	Sewer connections for 1,624 stands - Construction of sewer house connections with toilet structures	Jan-14	Feb-15	R 27 896 966.00
T F.1				

APPENDIX F. 2 – BASIC SERVICE PROVISION

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	33 076	28 062			
Households without minimum service delivery	1 483	3 434			
Total Households*					
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

APPENDIX F 3 – TOP FOUR SERVICE DELIVERY PRIORITIES FOR WARD (HIGHEST PRIORITY FIRST)

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During Year 0**
MIG/FS0121/S/14/15	Sewer connections for 1,624 stands - Construction of sewer house connections with toilet structures	Progres is at 40% and will be completed in the 2014/15 FY
MIG/FS0979/W/13/13	Construction of water meters for 1,625 in Mokwallo - Project involves inserting 1,625 water meters with necessary pipe-work and accessories	Project is 100% complete
MIG/FS0623/S/08/10	Heilbron Waste Water Treatment Plant - The project entails renovations and upgrading of the plant from 4Ml/d to 6 Ml/d	Progres is at 60% and will be completed in the 2014/15 FY
MIG/FS0624/S/08/10	Parys Waste Water Treatment Plant - Project entails renovating and upgrading of the plant	Progres is at 80% and will be completed in the 2014/15 FY
T F.3		

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 0

Municipal Audit Committee Recommendations		
Date of Committee	**Committee recommendations during Year 0**	**Recommendations adopted (enter Yes) If not adopted (provide explanation)**
Municipal Audit Committee Recommendations		
Date of Committee	**Committee recommendations during Year 0**	**Recommendations adopted (enter Yes) If not adopted (provide explanation)**
25/01/2014	Internal Audit Manager to compile audit committee charter and Make consultation with the district chief internal auditor if encounter any challenge	Yes. Internal Audit Charter have been compiled and approved by the Audit Committee
	The risk and compliance Manager be invited to the next meeting and she must be in a position to present a plan of action for implementation of corrective measures since the internal audit plan in not risk based (audit unit performed risk assessment without the involvement of the risk office).	Yes .Risk and Compliance manager is now invited to all Audit Committee meetings ,attendance register serves as evidence
	CFO to provide the Committee with the relevant and adequate financial information in the prescribed format introduced by treasury	Yes.Financial information information have been provided in the meetings
	District should assist on preparation of Audit Committee fees and must be tabled in the Council meeting	Yes .
	In the next meeting the municipality should come up with a progress report indicating the capacity to implement revenue collections strategies and ensure that they have effective policies in place.	Revenue enhancement plan is in place
	Indigent policy be reviewed and advertisement be made to the public.	Yes.Financial information information have been provided in the meetings
	Internal audit Manager to communicate with the Chief Internal Auditor of Fezile Dabi (Mr Thami) to assist with the annual and quarterly reporting template and be submitted to Exco and Council.	Yes.Financial information information have been provided in the meetings
	Internal Audit Manager to make minutes of the previous meetings held available and attach them to agenda of the next meeting.	Minutes of previos meeting are available.

	Management to prepare audit action plan to implement corrective measures on the findings raised by the Auditor-General and make it part of the Committee agenda of the next meeting.	
	Management letter be e-mailed to Committee members.	
	5 days management response be adhered to.	
	Audit Action plans to serve before audit committee meetings and be a standing item in every management meetings.	
	Internal Audit Manager to prepare Audit Committee first and second quarterly report to serve before the Council	
	Schedule of audit Committee meetings prepared was approved.	
03/06/2014	That list of people the committee recommend to assist in establishing Risk Management Committee will be made available to the municipality.	No, The list of people recommended in establishing Risk Management committee has not be provided by the Audit Committee Directors.
	Revenue Enhancement Strategy serves before the Council for approval.	
	People registered as indigents be visited for verification purpose to avoid e.g. indigent register with people claiming to be indigent while living in Suburbs (e.g. hospital view in Parys).	
	Municipal policy on leave encashment be aligned with terms of bargaining council	Yes
	Section 71 reports be sent to different stakeholders, Mayor, National and Provincial Treasury and Audit Committee on monthly basis	Yes
	The municipality come up with a plan to improve on electricity collection, set targets and have regular reporting.	Revenue has a plan in place
	That on every findings raised by the either internal audit unit or the Auditor-General there must be a management responding of whether they agree with the finding or not and further indicate their reasons if they disagree.	Yes .audit steering committee formulated to address findings
	Audit committee be informed of all Ad-hoc projects in order to ascertain time for Internal Audit Activity to be finalized on time as per the annual programme.	No adhoc has been requested

	The agenda for meetings be issued on time for the Committee to have enough time to scrutinize it and the supporting documentation attached	Yes
	Progress made on the Audit Action Plan be a standing item on every management meeting an audit committee meetings.	Yes
27/08/2014	Municipality should go back and address or respond to all the findings raised by the internal audit	
	Financial Statements be completed before submission	
		T G

APPENDIX H.1-2 LONG TERM CONTRACTS (20 LARGEST CONTRACTS ENTERED INTO DURING YEAR 0

Long Term Contracts (20 Largest Contracts Entered into during Year 0)					
					R' 000
Name of Service Provider (Entity or Municipal Department)	**Description of Services Rendered by the Service Provider**	**Start Date of Contract**	**Expiry date of Contract**	**Project manager**	**Contract Value**
Free State Fleet Managementll (Department of Police, Roads and Transport FS Province)	Lease of Heavy Duty/ Yellow Fleet Vehicles	28/08/2013	28/08/2016	Assets and Fleet Ass Manager	A estimate R1 057 546.64 as per month
Bloem Water	Eradication of Bucket System and Household Sanitation For Ngwathe Local Municipality	15/04/2014	15/04/2017	Technical Department (PMU)	R20 Million
Hamba Nathi Travel	**Provision of a service For Travel Management Services**	24/10/2013	24/10/2016	Finance Department	R280 000,00 (As and When Required (annual budget)
Ben Ben Technologies (Pty) Ltd	**Panel of Service Privider for Mechanical Services (Repairs and Maintenace of Municipal Vehicles) for a period of three years on the basis (as and when required)**	18/02/2014	18/02/2017	Finance Department - Fleet	R4 000 000,00 (As and When Required (annual budget)
Shapiro Shaik Defries and Associates	**Provision of a company for debt collection for Ngwathe Local Municipality**	2014/11/04	04/11/2017	Finance Department - Revenue	7,5% of collection on monthly basis
Reliance Life JV Genric Insurance Company	**Appointment of Insurance Company for Ngwathe Local Municipality for a period of three years+B8**	2014/11/04	2018/11/04	Finance Department	R2 941 081,06 annualy
Sigalo Media	**Service Provider for Audio Visual (Videography), Visual (Photography) and Reporting Services**	24/10/2013	24/10/2016	Political Office	R300 000,00 (As and When Required) Annual Budget
Manna Holding (Pty) Ltd	**Supply, delivery and offload of vaious protective clothing for Ngwathe Loacl Municipality for a period of**	25/04/2014	25/04/2017	Corporate Services	R650 000 (As and When Required) the budget is for

	three years on the basis as and when required.				2014/15 fin year
Botlokwa Holding (Pty) Ltd	**Supply, delivery and offload of vaious protective clothing for Ngwathe Loacl Municipality for a period of three years on the basis as and when required.**	25/04/2014	25/04/2017	Corporate Services	R650 000 (As and When Required) the budget is for 2014/15 fin year
Ben Ben Technologies (Pty) Ltd	Appointment of service provider for maintenance of street and highmast lights	18-Jun-14	18-Jun-17	Technical Department (PMU)	500000 as and when required on an annual budget
Pulza 01 Trading Enterprise	Appointment of service provider for catering services	18-Jun-14	18-Jun-17	Corporate Services	350000 The appointment value is based on the annual budgeted amount for panel of service providers on the basis as and when required.
Matselane Projects and Trading Enterprise	Appointment of service provider for catering services	18-Jun-14	18-Jun-17	Corporate Services	350000 The appointment value is based on the annual budgeted amount for panel of service providers on the basis as and when required.
Hare Emeleng Basadi Trading	Appointment of service provider for catering services	18-Jun-14	18-Jun-17	Corporate Services	350000 The appointment value is based on the annual budgeted amount for panel of service providers on the basis as and when required.F24

Inyameko Trading 821 CC	Appointment of service provider for catering services	18-Jun-14	18-Jun-17	Corporate Services	R 350 000.00
Basadi Ba Tumahole Catering - Co-operation	Appointment of service provider for catering services	18-Jun-14	18-Jun-17	Corporate Services	R 350 000.00
Kutu Stationers (Pty) Ltd	Appointment of service provider for supply, delivery and offload of cleaning material	18-Jun-14	18-Jun-17	Corporate Services	850000 The appointment value is based on the annual budgeted amount for panel of service providers on the basis as and when required.
Ithuteng Consultancy (Pty) Ltd	Appointment of service provider for supply, delivery and offload of cleaning material	18-Jun-14	18-Jun-17	Corporate Services	850000 The ap+F26pointment value is based on the annual budgeted amount for panel of service providers on the basis as and when required.
Sizacancane Trading	Appointment of service provider for supply, delivery and offload of cleaning material	18-Jun-14	18-Jun-17	Corporate Services	850000 The appointment value is based on the annual budgeted amount for panel of service providers on the basis as and when required.
Mamello Trading 763	Appointment of service provider for supply, delivery and offload of cleaning material	18-Jun-14	18-Jun-17	Corporate Services	500000 The appointment value is based on the annual budgeted amount for panel of service providers on the basis as and when required.

Sizacancane Trading	Appointment of service provider for supply, delivery and offload of cleaning material	18-Jun-14	18-Jun-17	Corporate Services	500000 The appointment value is based on the annual budgeted amount for panel of service providers for on the basis as and when required.
Royalty Trading and Projects	Appointment of service provider for supply, delivery and offload of cleaning material	18-Jun-14	18-Jun-17	Corporate Services	500000 The appointment value is based on the annual budgeted amount for panel of service providers on the basis as and when required.
CMS Water Engineering CC	Proposal for urgent provision of water and sanitation for Ngwathe Local Municipality Parys	27-Nov-14	27-Nov-17	Technical Department (PMU)	R24 838 730,40
Sokude Chemicals	Appointment of service provider for supply, delivery and offload of cleaning material	18-Jun-14	18-Jun-17	Corporate Services	500000 The appointment value is based on the annual budgeted amount for panel of service providers on the basis as and when required.
Public Private Partnerships Entered into during Year 0					
					R' 000
Bloem Water	Eradication of Bucket System and Household Sanitation For Ngwathe Local Municipality	15/04/2014	15/04/2017	Technical Department (PMU)	R20 Million
					T H.2

APPENDICES

APPENDIX I - MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE DURING YEAR 0

Municipal Entity/Service Provider Performance Schedule							
Name of Entity & Purpose	**(a) Service Indicators**	**Year 0**		**Year 1**			**Ye**
	(b) Service Targets	**Target**	**Actual**	**Target**		**Actual**	**Ta**
		***Previous Year**		***Previous Year**	***Current Year**		***C Ye**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(vi**
Free State Fleet Management (Department of Police, Roads and Transport FS Province)	Lease of Heavy Duty/ Yellow Fleet Vehicles	To lease new vehicles in order to provide uniterupted service to the community	14 bakkies and 5 tipper truck have been delivered, the municipality is still waiting for heavy duty vehicles to be delivered				
Bloem Water	Eradication of Bucket System and Household Sanitation For Ngwathe Local Municipality	To eradicate bucket system within Ngwathe	The project is in progress and 40 percent of the work has been done				
Hamba Nathi Travel	**Provision of a service for Travel Management Services**	To utilise one travel agnecy in order to avoid uncessary delays and countinous payment on flight and accommodation	The project has realy assisted the municipality in terms of upfront payment				
Ben Ben Technologies (Pty) Ltd	**Panel of Service Privider for Mechanical Services (Repairs and Maintenace of Municipal Vehicles) for a period of three years on the basis (as and**	To ensure that all municipal vehicles are are repaired on time and the municipality does not pay upfront	Municipal vehicles are repaired daily with quality material and the service is flowing smooth				

	when required)						
Shapiro Shaik Defries and Associates	**Provision of a company for debt collection for Ngwathe Local Municipality**	To collect accounts in arears of more 90 days especially business in order to enhance or increase municipal revenue	The project has not yet commenced (awaiting for SLA to be signed)				
Reliance Life JV Genric Insurance Company	**Appointment of Insurance Company for Ngwathe Local Municipality for a period of three years+B8**	To appoint an insurance company which will be able to insure all municipal property and assests	The project has not yet commenced (awaiting for SLA to be signed)				
Sigalo Media	**Service Provider for Audio Visual (Videography), Visual (Photography) and Reporting Services**	To record/archaive all mayor projects in order to view the mayoral office achivements and share with the community	The project is in progress, all mayoral projects are archaives and distributed to the community	Second Year of the project	The project is in progress, all mayoral projects are archaives and distributed to the community		
Manna Holding (Pty) Ltd	**Supply, delivery and offload of vaious protective clothing for Ngwathe Loacl Municipality for a period of three years on the basis as and when required.**	To ensure that all municipal employees receive quality PPE on time for the to be able to work effectively	The PPE have been delivered as per orederd number of municipal employees				
Botlokwa Holding (Pty) Ltd	**Supply, delivery and offload of vaious protective clothing for Ngwathe Loacl**	To ensure that all municipal employees receive quality PPE on time for the to be able to work effectively	The PPE have been delivered as per orederd number of municipal employees				

	Municipality for a period of three years on the basis as and when required.						
Ben Ben Technologies (Pty) Ltd	Appointment of service provider for maintenance of street and highmast lights	To ensure that all municipal street and highmast lights are functioning and installed with LED lights	The project is in progress, the street lights are on during the night and motorist and the community are happy				
Pulza 01 Trading Enterprise	Appointment of service provider for catering services	to ensure that the municipality does not struggle when catering/Stationery/Cleaning material is requested and professional and quality serives is rendred/delivered	The project is in progress and quality and delivery period is not compromiseed as the service provider is adheraing to the municipal requirements				
Matselane Projects and Trading Enterprise	Appointment of service provider for catering services	to ensure that the municipality does not struggle when catering/Stationery/Cleaning material is requested and professional and quality serives is rendred/delivered	The project is in progress and quality and delivery period is not compromiseed as the service provider is adheraing to the municipal requirements				
Hare Emeleng Basadi Trading	Appointment of service provider for catering services	to ensure that the municipality does not struggle when catering/Stationery/Cleaning material is requested and professional and quality serives is rendred/delivered	The project is in progress and quality and delivery period is not compromiseed as the service provider is adheraing to the municipal				

			requirements				
Inyameko Trading 821 CC	Appointment of service provider for catering services	to ensure that the municipality does not struggle when catering/Stationery/Cleaning material is requested and professional and quality serives is rendred/delivered	The project is in progress and quality and delivery period is not compromiseed as the service provider is adheraing to the municipal requirements				
Basadi Ba Tumahole Catering - Co-operation	Appointment of service provider for catering services	to ensure that the municipality does not struggle when catering/Stationery/Cleaning material is requested and professional and quality serives is rendred/delivered	The project is in progress and quality and delivery period is not compromiseed as the service provider is adheraing to the municipal requirements				
Kutu Stationers (Pty) Ltd	Appointment of service provider for supply, delivery and offload of cleaning material	to ensure that the municipality does not struggle when catering/Stationery/Cleaning material is requested and professional and quality serives is rendred/delivered	The project is in progress and quality and delivery period is not compromiseed as the service provider is adheraing to the municipal requirements				

Ithuteng Consultancy (Pty) Ltd	Appointment of service provider for supply, delivery and offload of cleaning material	to ensure that the municipality does not struggle when catering/Stationery/Cleaning material is requested and professional and quality serives is rendred/delivered	The project is in progress and quality and delivery period is not compromiseed as the service provider is adheraing to the municipal requirements				
Sizacancane Trading	Appointment of service provider for supply, delivery and offload of cleaning material	to ensure that the municipality does not struggle when catering/Stationery/Cleaning material is requested and professional and quality serives is rendred/delivered	The project is in progress and quality and delivery period is not compromiseed as the service provider is adheraing to the municipal requirements				
Mamello Trading 763	Appointment of service provider for supply, delivery and offload of cleaning material	to ensure that the municipality does not struggle when catering/Stationery/Cleaning material is requested and professional and quality serives is rendred/delivered	The project is in progress and quality and delivery period is not compromiseed as the service provider is adheraing to the municipal requirements				
Sizacancane Trading	Appointment of service provider for supply, delivery and offload of cleaning material	to ensure that the municipality does not struggle when catering/Stationery/Cleaning material is requested and professional and quality serives is rendred/delivered	The project is in progress and quality and delivery period is not compromiseed as the service provider is adheraing to the municipal requirements				

Royalty Trading and Projects	Appointment of service provider for supply, delivery and offload of cleaning material	to ensure that the municipality does not struggle when catering/Stationery/Cleaning material is requested and professional and quality serives is rendred/delivered	The project is in progress and quality and delivery period is not compromiseed as the service provider is adheraing to the municipal requirements				
CMS Water Engineering CC	Proposal for urgent provision of water and sanitation for Ngwathe Local Municipality Parys	To ensure that community within Tumahole and Parys does have access to water in all the areas	The project is in progress				
Sokude Chemicals	Appointment of service provider for supply, delivery and offload of cleaning material	to ensure that the municipality does not struggle when catering/Stationery/Cleaning material is requested and professional and quality serives is rendred/delivered	The project is in progress and quality and delivery period is not compromiseed as the service provider is adheraing to the municipal requirements				

*Note: This statement should include no more than the top four priority indicators. * 'Previous Year' refers to the targets that we Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targ Budget/IDP round. Note that all targets must be fundable within approved budget provision. In column (ii) set out the Service Indic then the Service Target underneath (not in bold - standard type face) to denote the difference.*

APPENDICES

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Position	Type of interest	Body in or from which the interest is derived or accrued	Surname & Initials
Exco Member & Councillor respectively	**Shares and securities in any Company**	Du Toit Mandelstam Inc. Soloprops (Pty) Ltd	Cllr GP Mandelstam
		Phillip Van Der Merwe & Vennote Ingelyf	Cllr PP Van Der Merwe
Councillors	**Members of any close corporation**	Reebza's Catering Club	Cllrs Mehlo L M
		Molombe Security Services Midzi Artistic Productions	Cllrs R J Molotsane
		Modiko Construction & Project	Cllrs D V Modiko
		E C Sothoane Funerals E C Sothoane Financial Services	Cllr Sothoane

Directorship	Du Toit Mandelstam Inc. Soloprops (Pty)Ltd
	Phillip Van Der Merwe & Vennote Ingelyf
Partnerships	Sothoane Supermarket
Other financial interest in any business undertaking	K K Cosmetics
Employment and remuneration	Self Employed – Attorney (Du Toit Mandelstam)
Interest in property	Erf 2911 Parys Golf Estate, Parys
	Erf 382 Heilbron
Pension	Pensioner
Subsidies, grants and sponsorship by any organisation	
Declared but no Interest	

APPENDIX K 1 – REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote

R' 000

Vote Description	2011/12	Current: 2012/13			2013/14 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1 - Executive and Council	0	4 780 495	4 780 495	3 948	5 354 523	5 354 523
Vote 2 - Finance and Admin	222 520 080	206 402 372	201 467 938	250 752 266	209 649 237	197 894 701
Vote 3 - Planning and Development	131 450	1 616 094	1 683 562	280 620	1 253 860	53 860
Vote 4 - Community and Social services	560 832	1 564 362	2 408 001	858 830	1 352 278	852 278
Vote 5 - Housing	0	0	0	0	-	-
Vote 6 - Public Safety	774 908	1 077 712	835 090	631 648	6 792 899	260 688
Vote 7 - Sports and Recreation	0	2 608 447	2 665 825	2 079 066	1 540 603	1 540 603
Vote 8 - Waste Management	24 757 474	18 970 674	18 970 674	25 710 348	29 586 106	27 971 089
Vote 9 - Waste Water Management	28 432 968	25 788 281	25 805 281	30 231 947	10 151 039	33 067 835
Vote 10 - Road Transport	0	3 572	3 572	668	3 772	3 772
Vote 11 - Water	31 207 589	18 443 214	18 443 214	66 677 852	16 864 580	46 848 000
Vote 12 - Electricity	95 931 861	134 967 000	134 833 970	133 569 987	120 315 495	115 143 013
Vote 13 - Technical Services and PMU	0	0	0		1 584	1 584
Vote 14 - Other	0	331 157	53 126	1 078 107		
Total Revenue by Vote	**404 317**	**416 553**	**411 951**	**511 875**	**402 866**	**428 992**

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3

T K.1

APPENDIX K 2 – REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						R '000
Description	2011/12	2012/13			2012/13 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	68 562	41 150	41 150	77 688	43 821	48 489
Property rates - penalties & collection charges				–	–	–
Service Charges - electricity revenue	70 468	133 490	133 490	132 624	119 169	113 997
Service Charges - water revenue	31 208	17 663	17 663	66 667	15 970	35 685
Service Charges - sanitation revenue	28 433	25 684	25 701	30 222	10 147	33 068
Service Charges - refuse revenue	24 757	18 941	18 941	25 710	29 586	27 971
Service Charges - other		5 396	6 319	2 935	3 682	2 317
Rentals of facilities and equipment	252	1 374	1 131	2 291	2 242	1 742
Interest earned - external investments	575	–	1	–	1	2 275
Interest earned - outstanding debtors	17 103	9 972	4 972	20 008	9 251	2 251
Dividends received			–	–	1	1
Fines	775	1 500	1 200	1 097	1 267	730
Licences and permits			–	–	–	–
Agency services			–	–	–	–
Transfers recognised - operational	160 047	157 276	157 276	151 401	159 631	159 631
Other revenue	2 137	2 530	2 530	1 233	6 899	834
Gains on disposal of PPE	–	1 578	1 578	–	1 200	–
Environmental Protection						
Total Revenue (excluding capital transfers and contributions)	404 317	416 553	411 951	511 875	402 866	428 992

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.

T K.2

APPENDIX L – CONDITIONAL GRANTS: EXCLUDING MIG

Conditional Grants: excluding MIG						
						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant						
Public Transport Infrastructure and Systems Grant						
Other Specify:						
Municipal Systems Improvement	890 000	890 000				
Finance Management	1 550 000	1 550 000				
Total						

** This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.*

T L

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0

Capital Programme by Project by Ward: Year 0		R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)
Water		
"Project A"		
"Project B"		
Sanitation/Sewerage		
Heilbron: Upgrading of sewer treatment works (ID-158007)	1,3,4,5 and 7	
Parys: Refurbishment and upgrading of Water Treatment Works Phase 3 (MIS:171059)	6,8,9,10,11,12,13,14, and 18	
Parys: Upgrading of sewer treatment works	6,8,9,10,11,12,13,14, and 18	
Electricity		
Electricity bulk supply in Phiritona Phase II	7	
Electrification of 195 houses in Edenville (Fezile Dabi District)	19	
Housing		
Roads		
Edenville: Paving of internal roads 1km.	19	
Koppies: Paving of internal roads 1km.	2	
Refuse removal		
Stormwater		
Storm water canals	6,8,9,10,11,12,13,14, and 18	
Economic development		
Sports, Arts & Culture		
Refurbishment of the tennis court in Koppies	2 and 17	
Fencing of the munmec sports facility	15, 16 and 20	
Refurbishment of the Schonkenville sports complex	14	
Construction of the Heilbron Sports Facility	1,3,4,5 and 7	
Environment		
Health		
Completion of the Relebohile health Centre in Heilbron	1,3,4,5 and 7	
Safety and Security		
ICT and Other		

APPENDIX P SERVICE CONNECTION BACKLOGS: SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
Edenville High - Water and Sanitation facilities appears to be under-designed for the number of students currently enrolled at the school. A sceptic tank system is utilized at the school.	900 learners -	900 learners		
Clinics (NAMES, LOCATIONS)				
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.				*T P*

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service Backlogs Experienced by the Commmunity where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	**Scale of backlogs**	**Impact of backlogs**
Clinics:		
Housing:	Housing demand Data Base and allocation not correlating.	Failure to meet the need sufficiently.
Licencing and Testing Centre:	Edenville is the only town without the service	Communities have to use either Kroonstad or Heilbron and thus incur travelling costs.
Reservoirs		
Schools (Primary and High):		
Sports Fields:		

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	**Progress to date**	**Number or Percentage Achieved**
Output: Improving access to basic services	- Mokwallo Water Project registered with MIG at the total cost of **R 6 555 997.50**	
	Parys waste water treatment work project is already on execution phase to address the problem in Parys funded by MIG - Heilbron Waste water treatment works is also on execution phase to address the waste water and sanitation issues also Funded by MIG - Out fall sewer line project in Heilbron is already on its final execution Phase to address the waste water backlogs in Heilbron and its funded by Water affairs	
	- Heilbron Electrification project on execution for the switchgear and transformer installation	
	- MISA to assist with the registration of the unregistered sites.	
Output: Implementation of the Community Work Programme	- Koppies and Edenville implementing the CWP	
Output: Deepen democracy through a refined Ward Committee model	- All 20 ward committees established during the year under review.	
Output: Administrative and financial capability	Full staff component at senior management realised through the appointment of Directors for Community and Corporate Services, Mr Kamolane L and Me Bopalamo L	
	Treasury seconded an MFIP person to assist in improving financial capability Mr. Ntshingila T	
		TS

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.